

MICHIGAN AGRITOURISM: STRENGTHENING MICHIGAN'S AGRICULTURE AND TOURISM INDUSTRIES

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Introduction

If it (agritourism) wasn't there, I would be gone. I would be in the city, Chicago, wherever, in an office job. I mean, the way the commercial ag-industry has gone over the last 10 or 15 years, there's no way I'd be able to stick around, so for me, I mean, it's (agritourism) been huge...It's important to me to stay there, family-wise, and if you look around and you see what's happening to these family farms, I'm one of the very few people under 30 that are left in my area. You know, there's just a handful of people, and the other people are 50 to 60 years old. And what happens when they're gone? Who's going to take over? Or what's going to happen to the land?

- 6th generation Michigan farmer

Michigan farms, which average 215 acres, face problems with agricultural restructuring such as declining prices for agricultural commodities, costly capital-intensive technologies for intensive production, and intensified global competition by foreign producers. At the same time, farmland in the state's suburban and exurban fringe is valued more highly for residential and commercial uses than for fruit production. Kent, Ottawa and Muskegon county apple orchards are worth \$4,000 an acre for development, or double their market value for fruit growing (Longcore 2000).

Agritourism may help farmers keep land in production by enabling them to profit from increasing demands for amenity countryside uses. Agritourism has been described as including "farm-based accommodations (either fixed-roof or camping), farm-based meals, farm-based activities, agricultural festivals/events, attractions (e.g., museums, cooperative or corporate agri-business tours with retail opportunities) and farm-based retail opportunities where the traveling public interacts directly with the farm family/farm workers" (Hankins 1997, 6). While farmers have long engaged in activities now called agritourism, policies coordinating agriculture with tourism as a way to conserve agricultural lands is a more recent response to agricultural restructuring. The European Union has supported agritourism development to support farming regions as part of its broader rural tourism initiatives. Since 1991, European Union countries have spent \$2

billion to subsidize agritourism development in rural farming areas which cannot compete in a global market with declining commodity prices that favor large-scale North American farms (Tagliabue 1998). Since the 1980s, the number of farms participating in tourism has doubled in the U.K., France, and Italy. In those nations, the number of farm accommodation units exceeds 600,000 (Hankins 1997).

Similarly in the U.S. where producers have long offered farm tours and had on-site retail, farmer and U.S. Department of Agriculture (USDA) interest in agritourism has recently increased. Interest in agritourism has been driven by low prices, crop-damaging natural disasters, lifestyle migration to rural communities, and interest in replacing or supplementing traditional farm operations (Maetzold 2000). The USDA has published an *Alternative enterprises and agritourism resource manual* and awarded grants to further specialty farm product development. In 2001, Michigan received \$3 million in USDA funding to promote development of products such as chunky asparagus salsa, hard cider, fresh apple slices, wine barrels, cut flowers, brandy, and organic fruit juices. Michigan's diverse and sizable production of 124 agricultural commodities, more than any state except for California, supports specialty product development. Michigan ranked first in production of dry black beans, blueberries, tart cherries and processing cucumbers; second in celery; and third in apples, asparagus, squash and fresh market carrots; and fourth in Concord grapes, fresh market cucumbers, plums and sugar beets (Hoogterp 2002). This diverse crop production near large urban tourist-generating areas also provides the foundation for linking Michigan's third largest industry, tourism, with its second largest, agriculture, through agritourism.

This report with appendices details the results of the USDA-funded, joint project between Agriculture Development Division of the Michigan Department of Agriculture (MDA) and researchers from the Departments of Geography and Marketing at Western Michigan University (WMU), which was designed to further Michigan agritourism development and marketing. This project involved first conducting focus groups of agritourism operators. The focus group report detailing the importance of cooperative marketing linkages can be found in Appendix 1. The information from the focus groups was also

used to develop survey instruments for agritourism producers and agritourism consumers. Through the producer and consumer surveys, needed, systematic data was collected on both the supply and demand sides of operations. Data collected from the producer survey was also used to develop a web-based GIS database. Operators who participated in the producer survey were listed in this expanded “agritourism” directory, which was structured so that web-browsing consumers could search by product and location (region). By clicking on the agricultural product icon associated with an agritourism business, a potential consumer could obtain information about the business and a map to the destination. If the business listed its own website in the producer survey form, links to the business’s home page were also included. County and product maps with links to the individual agritourism businesses from the web-based Michigan Agritourism GIS can be found in Appendix III. Examples of web pages for individual agritourism businesses which come up after clicking on the associated icon from the county and/or product maps can be found in Appendix IV. These web pages have a link from which one can obtain a map showing how to get to a destination. Further discussion of the focus groups, surveys, and resulting reports can be found in the following sections.

Overview of the Focus Group Study and Report (the entire Focus Group Report can be found in Appendix 1)

Focus groups of agritourism producers were convened during February 2002 as part of this project funded by the U.S. Department of Agriculture and administered by the Michigan Department of Agriculture (MDA) to determine the impact of agriculture-based destinations on Michigan’s tourism economy. Representatives from the MDA, WMU, and Michigan State University Extension invited a range of individual agritourism producers to the focus groups so that the diversity of Michigan’s agricultural products (i.e. apples/cider, wine, peaches, cherries, asparagus, pumpkins, squash) would be represented. Primarily farmers selling fruits and vegetables and resulting value-added products were selected for the agritourism focus groups, as these small to medium-sized producers were overrepresented in Michigan agritourism relative to larger commodity-oriented corn, soybean, and dairy farmers. In addition to representing agricultural product diversity, the focus groups also were set up to ensure the geographical diversity

of producers, customer bases, marketing techniques, and residential and commercial pressures facing farmers. Three focus groups which focused on different regions of the state were convened: 1) Southwestern Michigan, which attracts South Bend, Indiana and Chicago tourists, 2) the Traverse City area, which attracts longer-distance Chicago and Detroit metro area tourists and second-home owners; and 3) Central and Southeast Michigan, which mainly attract nearby metro area suburban customers, but which in the case of the latter faces intense development pressures from expanding greater Detroit.

Using focus groups, the WMU researchers identified key issues with marketing and developing Michigan agritourism. Participating agritourism producers were asked about their experience with agritourism, general perceptions and knowledge of other agritourism sites, potential of agritourism (i.e. benefits and downfalls), what constitutes successful and unsuccessful agritourism operations, promotion, and the impact of agritourism in Michigan. These focus groups provided enough information to develop both a survey instrument sent to owners of Michigan agritourism operations and a survey instrument conducted with consumers at agritourism destinations throughout the state of Michigan. Key concepts regarding the cooperative marketing and development of agritourism also were identified from video and audio tapes and transcripts of the focus groups.

This report emphasized the importance of 1) brochures and web linkages with state and local tourism promotion organizations and the MDA, 2) information sharing among entrepreneurs that can help refine the agritourism product, 3) referrals to other agritourism businesses, 4) purchasing linkages involving buying items one does not produce or that one utilizes in value-added processes, and 5) developing a regional approach for building a critical mass of agritourism producers, resources, and attractions necessary for effectively promoting to target markets, providing a geographic identity, and strengthening an area's agritourism reputation. This report found that successful, entrepreneurial agritourism developers work cooperatively rather than individualistically and competitively. These operators have developed supportive, informational linkages as

well as purchasing ones to help sustain a critical mass of producers who offer diverse goods, maintain land in agriculture, and thus reinforce Michigan's image for agritourism.

Overview of the Producer Survey Report (the entire Producer Survey Report can be found in Appendix II)

Objectives

The purpose of the producer survey is to gain a greater understanding of the current conditions and practices of agritourism operations in Michigan. The main objectives include the following:

- To profile the agritourism operations in terms of major products, services, and activities
- To determine the number of customers served by the operations
- To determine the average gross sales of the operations
- To characterize the employment opportunities created by the businesses
- To describe the major types of advertising and promotion used by the operations
- To determine the main benefits of agritourism operations to customers, operators, Michigan agriculture, and the state of Michigan, as perceived by the operators
- To learn the main impediments to the agritourism operations, as perceived by the operators

Methodology

Two research methods were used for this study:

- Three focus groups, each consisting of from six to nine agritourism operators, were conducted in Kalamazoo, Ellsworth, and Flint during 2002. The focus groups were conducted to elicit the ideas and perceptions of the operators and to assist in the development and interpretation of a broader survey.
- A survey of Michigan agritourism operators was conducted during 2002 and 2003. The surveys were distributed via direct mail and through industry meetings and conventions. A total of 301 usable questionnaires were returned.

Major Findings

The following are the major findings of the survey:

Products and Sales

- Agritourism operations offer a wide range of products, services, and experiences for tourists, including u-pick and/or ready-to-sell berries and tree fruits, crafts, baked goods, hay rides, pumpkin patches, u-cut and pre-cut Christmas trees, sleigh rides, hunting ranches, sheep and llama farms, petting zoos, stocked fish ponds, dairy farms, nurseries, vineyards, and many others.
- The five products offered most frequently by agritourism operations were apples, Christmas trees, pumpkins, animal products, and strawberries.

- About one-fifth (19%) of the agritourism operators were open year round; the rest (81%) were open just part of the year, with an average of 175 days of operation in 2002.
- The average number of visitors to an operation in 2002 was 11,647, although this figure varied widely (standard deviation (SD) of 35,437).
- Gross sales of the business varied greatly (SD \$357,017), but averaged \$141,334 in 2002.

Employment

- While variations among operations were very large, the average business employed 2.61 family members, 2.44 full-time non-family workers, and 8.82 part-time non-family workers.

Advertising and Promotion

- Amount of money spent on promotion and advertisement varied widely (ranging from \$0 to \$180,000), but averaged \$5,632 (SD = \$16,362) in 2002.
- The most-used form of promotion was, by far, newspaper ads, with almost three-fourths (72.3%) of the business claiming to use this form of promotion. Other popular forms of promotion included developing and mailing out one's own brochure (38.6%), being listed in MDA's Michigan Farm Market and U-Pick Directory (34.1%), and developing and maintaining a web site (33.1%). No other advertising method was used by more than one-third of the agritourism operations.

Benefits

- The agritourism operators felt that their businesses provided a number of benefits to their customers. The top three were: 1) the customers have an opportunity to experience a "personal touch" as part of the sales process, 2) the customers can buy fresh agricultural products, and 3) the customers can participate in a family activity.
- Benefits of agritourism business that operators felt to be "important" or "very important" included 1) that it allows them to maintain a "way of life," 2) that it allows them to keep the family farm, and 3) that it provides additional income.
- Agritourism operators felt that three important benefits of agritourism to Michigan agriculture were: 1) maintaining the viability of agriculture in Michigan, 2) increasing understanding of agriculture among non-farmers, and 3) creating brand identity for Michigan agriculture.
- Agritourism operators felt that their businesses brought a number of important benefits to the state of Michigan, with the top two being preserving open space and farmland and keeping Michigan tourists and dollars in-state.

Impediments

- Agritourism operators felt that there were a number of impediments to agritourism development. Four impediments that were rated by most operators as "very important" or "important" were: 1) loss of property tax homestead exemption, 2) zoning or local ordinances, 3) liability, and 4) signage regulations.

Conclusion

This study documents the strong economic and social benefits that agritourism operations provide farmers and their customers, as well as the state of Michigan. It is recommended that the state of Michigan provide support to these businesses by working with other governmental agencies regarding regulations constraining the growth of agritourism in the state, and by further linking agritourism with the current Travel Michigan's "Great Lakes, Great Times" and MDA's "Select Michigan" marketing strategies.

Overview of the Michigan Agritourism Web-based GIS Database (County Maps can be found in Appendix III, Examples of Web Pages Linked to the Web-Based GIS Database in Appendix IV)

Agritourism producers who filled out the aforementioned producer survey were listed in the Michigan Agritourism Web-based GIS Database (a CD with the Agritourism GIS Database Files and Michigan Agritourism Web Files was overnighted to MDA on March 25, 2004). The web-based GIS system can be currently found (as of 3/25/04) at

<http://homepages.wmich.edu/~j3rober1/agritourism/>

The web-based GIS system will be moved to MDA's webpage/server when information is provided as to where it should be housed in the future.

From the URL listed above, a web-browsing consumer could search for an agritourism business by product and location (select region, then county). When one clicks on the agricultural product icon (i.e. berries, animals, fall harvest, etc.) associated with an individual producer on the county map, the information that the agritourism business provided on its location, period of operations and any farmers' markets it sold items at is displayed on a separate web page. From that web page, links are provided where one can obtain a map to the agritourism operator's location and if applicable, to the business's own website. County and example product maps from the web-based Michigan Agritourism GIS that have links to the individual agritourism businesses can be found in Appendix III. Then examples of web pages for individual agritourism businesses which come up after clicking on the agricultural product icon from the county and/or product maps can be found in Appendix IV.

Overview of the Consumer Survey Report (the entire Consumer Survey Report can be found in Appendix V)

To obtain information on the demographics and consumption decisions of visitors to Michigan's agritourism destinations, a team led by Sandra Hill (MDA) and Dr. Deborah Che (Geography, WMU) developed a survey of consumers at agri-tourism operations in Michigan. This survey was developed from ideas and opinions of agritourism operators gathered as part of three focus groups, each consisting of six to nine firm owners, conducted in 2002 by members of the project team. Based on the results of these focus groups held in Kalamazoo, Ellsworth, and Flint, a comprehensive consumer survey was developed by researchers at WMU in conjunction with experts at the MDA. The consumer survey contained questions regarding the respondents' traveling party, distance traveled, home zip code of residence, site-specific visiting patterns (past, present, and future), visitation to other agritourism operations within the last 12 months, means of learning about the agritourism operation, activities enjoyed and products purchased on the day of visitation/survey, and Likert-type questions designed to identify opinions related to the reasons for the visit.

Once the survey instrument was evaluated by the MDA, MDA staff conducted surveys on-site at agritourism operations (both farm and farmers markets) around the state of Michigan during August–October 2003. Approximately 50 surveys were conducted at each of the 31 sites. There were a total of 1550 respondents to the WMU/MDA survey. Once the surveys were collected by MDA and sent on to WMU-Geography, data was entered into SPSS and statistical calculations completed. Additionally, GIS maps showing where surveyed visitors came from (using their home zip codes) were created for each of the 31 agritourism operations.

From the WMU/MDA consumer survey conducted at Michigan agritourism destinations, conclusions can be drawn about visitor demographics and consumption decisions. Reflecting the family nature of agritourism, many visitors (survey respondents and members of their accompanying parties) were part of families with young children. To attract teenagers and 20-somethings, whose numbers were disproportionately low, more

age-specific programming might be necessary. Contrary to findings in the ecotourism and agritourism literature indicating that high income individuals are the core of the U.S. ecotourism and agritourism markets, our data showed the broader market appeal of agritourism. Once self-reported household income was over \$30,000/year, there was no significant difference in attendance rates by income groups (\$30,000-44,999, \$45,000-59,999, \$60,000-74,999, \$75,000-100,000 and over \$100,000).

The survey also revealed the importance of return visitors. Many respondents had previously visited the agritourism site where they were surveyed at, and almost all (96.9%) of customers surveyed indicated they were planning a return trip to the same business next year. Such return visits, which can be the ultimate verification of businesses' providing quality agricultural products and experiences, indicate a great deal of brand loyalty. Additionally over 70% of surveyed customers had visited other agritourism operations within the last 12 months, showing the importance of dedicated agritourists.

Many of the surveyed agritourism customers could be considered "neighbors." While the responses for the number of miles traveled to the agritourism destination varied widely, reflecting both the local and out-of-state customers, over half of the survey respondents indicated that they lived within 10 miles of the visited agritourism operation. Thus drive-bys, reflecting the fact that many agritourism visitors were neighbors and nearby residents, and word-of-mouth, possibly reflecting the importance of satisfied, return customers, were the most frequently indicated means by which people found out about the visited agritourism business. In contrast, the Internet and travel brochures were rarely cited as ways people found out about the agritourism business.

Purchasing/picking fresh, local vegetables, fruit, and produce ranked highest in terms of activities pursued and reasons for visiting the agritourism operation. Given this finding, promotions such as MDA's Select Michigan branding which emphasizes products' Michigan origin can be used at agritourism destinations to reinforce that the message that such businesses are sources of fresh, Michigan agricultural products.

Conclusions and Recommendations

Agritourism generates economic and social benefits to agritourism operators, their customers, rural communities, and the state of Michigan. Through on-site sales, value-added production, and services (i.e. school tours, corn mazes, and Halloween activities), agritourism yields the additional income that enables operators to maintain a “way of life” and the family farm. For its customers, agritourism provides a place to obtain fresh produce and experience nature with their families. For rural communities and the state of Michigan, agritourism generates employment and tourism and tax revenues, while helping to maintain open space and the viability of Michigan agriculture. By expanding product offerings, agritourism’s sales potential can be further increased while simultaneously providing visitors with greater choice.

It is recommended that the state of Michigan provide further support for agritourism, which integrates Michigan’s second and third largest industries, agriculture and tourism. Agritourism operators need assistance in dealing with other governmental agencies on issues such as zoning/local ordinances, loss of property tax homestead exemptions when a commercial operation is developed on the farm, signage, and multi-agency/local regulations. Finally, the state of Michigan should provide further Travel Michigan marketing support which focuses on the link between tourism, agriculture, and nature. A survey for Travel Michigan found that lakes and other water-related resources, scenery, and nature attractions were the most frequently cited "positive impressions" of Michigan's overall image as a tourist destination. Agritourism links with these positive impressions as the diversity and quality of Michigan’s agriculture is related to its location vis-à-vis the Great Lakes and as rural, farming landscapes and farm animals provide desired scenery and nature attractions. Michigan could sell rurality (i.e. visiting cider mills or farms, picking fruits and vegetables) and traditional fall activities in addition to highlighting Michigan foods.

Michigan agritourism can also help draw more visitors from the state's traditional tourism-generating areas as well as from outside the region. Currently many visitors to agritourism destinations are neighbors and nearby residents. While such local and return visitors are crucial to the success of agritourism operations, potential exists to attract both more customers living 30-50 miles away from the business and out-of-state visitors. To attract these individuals who may be less likely to drive by a location or hear about the business from a family member or friend, the Internet, travel brochures, and greater promotional linkages with and support from Travel Michigan and convention and visitors' bureaus are critical to raising awareness about Michigan's agritourism destinations. Agriculture could be better integrated into existing state tourism promotion campaigns, by using a Michigan fruit (i.e., cherry, apple) as a focal point or symbol for visitors who are interested in the many activities connected to agriculture. Tourism promotion material could also stress the agriculture-related activities possible in Michigan such as visiting a cider mill or farm and picking your own pumpkin. Visiting cider mills could be highlighted as a Michigan's tradition one could take part in while participating in another tradition, the fall leaf color tour. The state could also take advantage of extensive print and web coverage in the *New York Times* on Michigan's "flavorable vacationland," which offers cherries and other tree fruits, game, and wines and spirits utilizing Michigan fruit. Agritourism thus has the potential of drawing tourists from beyond the adjacent states. Consequently agritourism, which fits Travel Michigan's "Great Lakes, Great Times" and MDA's Select Michigan marketing strategies, should be further emphasized. In this way, agritourism could reach new people, who could then become return visitors and word-of-mouth promoters of Michigan agritourism.

In addition to developing supportive, informational linkages as well as purchasing ones to help sustain a critical mass of producers who offer diverse goods, maintain land in agriculture, and thus reinforce Michigan's image for agritourism, Michigan agritourism producers should also use the tourism encounter to stress their quality production. Stressing quality, local foods may help guarantee both continued, future purchases and agricultural production. Producers can convey both farming and processing quality and thus increase the more profitable on-site sale of Michigan agricultural goods. Stressing

the quality and safety of local foods and American agriculture relative to cheaper, imported food via the agritourism experience can also help Michigan farmers deal with agricultural restructuring and globalization. Agritourism could thus provide the means to challenge imports from places with less-restrictive agricultural chemical use and help instill a high level of confidence in Michigan agriculture. Because agritourism visitors are interested in what they're seeing and knowing where their food is coming from, agritourism provides a chance to pitch Michigan agriculture and buy local instead of imported. The message linking agritourism with "healthy products that are grown locally," a way for people to keep in touch with agriculture (i.e., from the farm animals to getting out on the land and picking an apple off the tree or a pumpkin off the vine), and a means for increasing their understanding of agriculture could be conveyed to agritourists. Farm visits which communicate quality can help turn urban and suburban visitors into long-term customers and advocates of Michigan agriculture, which is especially important as farmers make up only 2% of Michigan's population.

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APPENDIX 1: FOCUS GROUP REPORT

SUSTAINING PRODUCTION AND STRENGTHENING THE AGRITOURISM PRODUCT: LINKAGES AMONG MICHIGAN AGRITOURISM DESTINATIONS

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Abstract

Changing economic and social conditions such as increased global competition, falling commodity prices, and capital- and technology-intensive agricultural production have disproportionately impacted smaller U.S. farms, such as those in Michigan where the average farm size is 215 acres. Demands for residential and retail uses on the urban fringe have also affected agricultural production. To keep agricultural land in production and in the family, entrepreneurial Michigan farmers are utilizing agritourism as a value-added way to capitalize on their comparative advantages, their diverse agricultural products and their locations near large urban tourist-generating areas. Using focus groups, this paper illustrates how entrepreneurial farmers have strengthened Michigan agritourism by fostering producer networks through referrals to farms that serve different markets (i.e. corporate event) or offer different products, u-pick brochures, and web linkages. Agritourism destinations facing stiff competition, not so much from each other, but rather from alternatives for leisure time and food purchases, benefit from this cooperative provision of needed information and customer service. In addition to informational linkages, entrepreneurial agritourism operators also support fellow farmers (those involved in agritourism or not) by purchasing supplemental crops they sell in unprocessed and/or processed form on-site. Supportive linkages among agritourism destinations help sustain a critical mass of producers who offer diverse goods, maintain land in agriculture, and thus reinforce Michigan's image for agritourism.

Keywords: agritourism, entrepreneurship, networks

Introduction

In advanced industrialized countries, small farmers have been challenged by changing economic and social conditions such as increased global competition, falling commodity prices, and capital- and technology-intensive agricultural production. This paper will first discuss agricultural restructuring and the focus on agritourism as a way that enables farmers to retain land in production. Then it will discuss barriers to agritourism development, which are rooted in small farmers' commodity production orientation and their problematic transitioning to selling differentiated attractions or experiences. Finally using focus groups of Michigan agritourism operators, this paper will illustrate the informational and purchasing linkages among producers that help overcome these barriers. Linkages bolster agritourism, which faces competition from both leisure and food purchase alternatives and from alternative land uses (i.e. suburban/exurban development). These supportive, cooperative linkages among individual agritourism operators help sustain a critical mass of producers who offer diverse goods, maintain land in agriculture, and thus reinforce Michigan's image for agritourism.

Agricultural restructuring and small farms

Commodity producers in advanced industrialized countries have been impacted by physical and human limits to production, price-cost squeezes, global competition, and the increased mobility of capital. Regarding agricultural producers specifically, this crisis in production has been driven by declining prices for agricultural commodities, a need to adopt capital-intensive technologies via intensive production on large-scale farms in order to be economically competitive; and a resulting cost-price squeeze. At the same

time, public environmental concerns about industrialized agricultural production and financial and political pressure to reduce agricultural subsidies have grown (Evans and Ilbery, 1992; Wilson, 1995). These changing economic and social conditions have disproportionately impacted smaller farms in Europe and the U.S. (Kenney et al. 1989).

Michigan farms which average 215 acres face these competitive problems, since capital- and technology-intensive agricultural production favors larger farms further west. While average farm size has doubled from the 1950 acreage and well exceeds the 1900 average of 86 acres in order to afford capital expenditures such as \$90,000 tractors (Moses, 1999b), increasing scale does not equal profitability. Larger farms such as Jon Drodz's which produces corn and soybeans on 5000 acres in western Michigan's Allegan, Kalamazoo and Van Buren counties would not be able to make it without federal subsidies totaling \$460,618 in 2000. According to Sarah Black, national legislative council for the Michigan Farm Bureau, such subsidies help many Michigan farms cope with low crop prices and the economic slowdown (Hoffman and Finnerty, 2001).

In addition, intensified global competition by foreign producers benefiting from declining tariffs and lower labor costs also has affected Michigan's commodity farmers. For instance, the Andean Trade Preference Act (ATPA) of 1991, which promoted the development of non-drug related crops in Bolivia, Columbia, Ecuador, and Peru by increasing their access to the U.S. market, has led to imports displacing production of high-value, labor-intensive asparagus, especially in Michigan and Washington, where processed asparagus respectively accounted for approximately 86% and 68% of the 2000 crop (U.S. General Accounting Office, 2001). According to Jerry Dekryger, executive

director of the Michigan Asparagus Advisory Board, the price offered by processors who can utilize cheaper imports is nine cents a pound, the lowest Michigan growers have seen since the 1980s (Parker, 2001). However, according to the U.S. General Accounting Office, domestic processed asparagus production would be displaced even without the lower ATPA tariff, given Peru's advantages in climate and labor costs. Additionally Michigan asparagus producers face increasing competition from Mexico, the leading source of imported asparagus which benefits from reduced tariffs under the North American Free Trade Agreement (NAFTA) (U.S. General Accounting Office, 2001).

Global competition is likely to be intensified with China's joining the World Trade Organization (WTO) and the resulting Permanent Normal Trade Relations (PNTR) with China. While PNTR with China could benefit Michigan agriculture by reducing Chinese tariffs on U.S. agricultural products, loosening Chinese import regulations, creating anti-dumping provisions, and by lowering Chinese export subsidies (Michigan Department of Agriculture, 2002), China's extremely low labor and production costs relative to Michigan's may increase competing imports. China's apple juice exports have contributed to declining prices of and demand for domestic apples (Finnerty, 2001). Additionally honey imports from China more than doubled from 11,475 metric tons in 1997 to 23,129 metric tons in 1999. China's exports of honey and apple juice have impacted two of Michigan's most important products.

At the same time, Michigan farmers face low-cost global suppliers of agricultural commodities, demand for farmland for urban residential and commercial uses is increasing. While Michigan's population is not growing, the land consumed by an increasingly suburban and exurban population is. In Michigan, 142,000 acres of

farmland were converted to urban land from 1982 to 1992, representing 31% of the state's total land that was converted to developed land (Moses, 1999a). Increasing use of agricultural lands for consumption threatens future production as farms converted for suburban tracts are forever lost to farming.

Agritourism: a panacea for farm woes?

(Montrose Orchards) was a retail/wholesale operation up until probably thirty-five years ago. It's now currently 90-95% retail and pick-your-own. Some of the things that drove us into that area, of course were locations to markets, fluctuation of pricing on the wholesale markets and the ability of the wholesaler to demand the price they wanted and then actually let you drop at a minute's notice if someone else is a penny cheaper than you are. So, being a price maker...you know, being a price maker is a lot better than the price taker.

Agritourism, another consumptive land use of farmland, may help preserve farms. Agritourism has increasingly been proposed as a means for economic diversification and landscape preservation in agricultural regions undergoing restructuring as well as to satisfy increased demand for amenity countryside uses. Lobo (2001) has defined agritourism as the act of visiting a working farm or any agricultural, horticultural or agribusiness operation for the purpose of enjoyment, education, or active involvement in the activities of the farm or operation. In similar fashion, Maetzold (2000) views agritourism as "any business or activity that invites visitors to come on to a farm, ranch or into a rural community to enjoy agriculture and the natural resources and may be a value-added alternative enterprise that increases the value of the current food and fiber production or non-traditional agricultural production or marketing." Most broadly defined, then, agritourism is any agricultural operation which caters directly to the general public with retail sales and/or the provision of services which relate to food, fiber, flowers, trees, shrubs, and other farm products and where sales occur at the production

location. This working definition can be further specified in that while farms classified as agri-tourist operations must have on-site commercial sales to the general public, they may also be conventional wholesale operations.

The European Union has supported agritourism development to support farming regions. Since 1991, European Union countries have spent \$2 billion to subsidize agritourism development in rural farming areas which cannot compete in a global market with declining commodity prices that favor large-scale North American farms. Agritourism development has provided farms with an alternative income source (5-10% of total income on one Bavarian farm) (Tagliabue, 1998). It thus serves the social purposes of keeping farmers on land, protecting picturesque rural landscapes that attract tourists, educating urban populations about food production, and supporting the production of distinctive regional agricultural products (Busby and Rendle, 2000; Oppermann, 1995).

Agritourism also has been utilized to help diversify agricultural-based economies of the U.S. Midwest (Agriculture and Tourism in Wisconsin, 1987; Cross, 1987; Garcia, 1995). Although agritourism has a long history in Michigan, from turn-of-the-century farm-based summer resorts along Lake Michigan (Kraus, 1999) to tree farms in central Michigan and apple orchards and berry fields in the southwest that go back fifty to one hundred years or more, the need for agritourism development is intensified by agricultural restructuring. Like farms in the densely populated European Union countries, Michigan farms also are well positioned for agritourism development with their diverse crop production and their locations near large urban tourist-generating areas.

Barriers to Agritourism Development and Marketing

Marketing-related barriers however have affected agritourism from developing to its fullest potential. Marketing problems stem in part from geographically isolated farmers' orientation toward production rather than toward marketing and consumptive use of land for tourism. Farmers' independent decision-making focused on improved production more readily allows for innovations such as new hybrids, chemicals, tillage practices, new feeding regimes, and equipment, rather than for new, interdependent ways of doing business which are needed in agritourism marketing and development (Holmlund and Fulton, 1999). Additionally, established agricultural networks and marketing channels exist only for standardized, bulk commodities designed for further processing and marketing. Commodity cooperatives that improve product quality broadly without selecting a small group of 'elite' producers and violating their 'equal treatment provisos' cannot easily be adapted to the differentiated agritourism product which relies on the provider for high quality and improved performance (Hjalager, 1996). Independent producers of homogenous commodities also often lack interpersonal skills and innovative value-added product development that can differentiate farm destinations (Busby and Rendle, 2000). Furthermore as evidenced in the problematic implementation of the \$2 billion European Union agritourism initiative, the interorganizational set-up for marketing and quality control of the differentiated rural tourism product is currently underdeveloped (Clarke, 1996; Clarke, 1999). To the degree marketing exists, the focus is at the individual farm level. This fragmented focus has hampered agritourism's growth.

Greater inter-organizational linkages are needed to improve marketing and development of agritourism. In England, there has been a growing trend away from individual advertising towards joint campaigns developed by groups of 15-20 farmers to market a particular image of the farm tourism. Benefits from a market consortium include increased bookings and longer seasons, the opportunity to exchange ideas, discuss experiences, attend courses and arrange bulk buying, etc. (Frater, 1983). Synergies can help support development of the agritourism niche market and territorially based rural production. In Vermont, Ben & Jerry's which produces luxury ice-cream and frozen yogurt, supports the state's dairy farmers through its purchases, by drawing over 250,000 visitors per year and informally promoting rural tourism in the state (Lane and Yoshinaga, 1994).

While Ben and Jerry's may have greater notoriety in attracting visitors seeking rural landscapes, smaller and medium-sized agritourism operations can and do work together to market and develop regions as agritourism destinations. Using focus groups of Michigan agritourism operators, this paper argues that the successful, entrepreneurial agritourism developers work cooperatively rather than individualistically and competitively. These operators have developed supportive, informational linkages as well as purchasing ones to help sustain a critical mass of producers who offer diverse goods, maintain land in agriculture, and thus reinforce Michigan's image for agritourism.

Methods

Focus groups of agritourism producers were convened during February 2002 as part of a project funded by the U.S. Department of Agriculture and administered by the Michigan Department of Agriculture (MDA) to determine the impact of agriculture-based

destinations on Michigan's tourism economy. Representatives from the MDA and Michigan State University Extension invited a range of individual agritourism producers to the focus groups so that the diversity of Michigan's agricultural products (i.e. apples/cider, wine, peaches, cherries, asparagus, pumpkins, squash) would be represented. Primarily farmers selling fruits and vegetables and resulting value-added products were selected for the agritourism focus groups, as these small to medium-sized producers were overrepresented in Michigan agritourism relative to larger commodity-oriented corn, soybean, and dairy farmers. In addition to representing agricultural product diversity, the focus groups also were set up to ensure the geographical diversity of producers, customer bases, marketing techniques, and residential and commercial pressures facing farmers. Three focus groups which focused on different regions of the state were convened: 1) Southwestern Michigan, which attracts South Bend, Indiana and Chicago tourists, 2) the Traverse City area, which attracts longer-distance Chicago and Detroit metro area tourists and second-home owners; and 3) Central and Southeast Michigan, which mainly attract nearby metro area suburban customers, but which in the case of the latter faces intense development pressures from expanding greater Detroit.

Using focus groups, the authors identified key issues with marketing and developing Michigan agritourism. Participating agritourism producers were asked about their experience with agritourism, general perceptions and knowledge of other agritourism sites, potential of agritourism (i.e. benefits and downfalls), what constitutes successful and unsuccessful agritourism operations, promotion, and the impact of agritourism in Michigan. Information provided by the focus groups was used to develop a survey instrument sent to owners of Michigan agritourism operations. This on-going

survey will help secure accurate figures on the economic impact of agritourism in Michigan, which in turn will be valuable in securing additional recognition of the industry when applying for future promotional or advertising funds available at the state or federal level. Key concepts regarding the cooperative marketing and development of agritourism also were identified from video and audio tapes and transcripts of the focus groups. This paper will now turn to the importance of 1) brochures and web linkages with state and local tourism promotion organizations and the MDA, 2) information sharing in refining the agritourism product, 3) referrals to other agritourism businesses, 4) purchasing linkages, and 5) developing a regional approach to establishing agritourism destinations and increasing visitation. Together these concepts highlight how Michigan agritourism producers work cooperatively rather than competitively to strengthen this important segment of Michigan tourism.

Brochures and web linkages connecting dispersed producers and customers

New marketing and communication channels such as brochures and web linkages can provide consumers with information on previously isolated agritourism providers. For instance, the Southern Vancouver Island (British Columbia) Direct Farm Market Association (SVIDFMA) developed and distributed 160,000 copies of a guidebook, which lists its members. The organization estimates the guidebook is responsible for a 15% to 30% yearly increase in direct farm sales (Lazarus, 1998).

In Michigan, the MDA has a successful on-line and paper copy U-pick brochure, which similarly provides an inexpensive way for geographically dispersed farm markets to reach customers. For approximately \$50 every two years, a farm market can get listed in the MDA U-pick guide. Over 100,000 copies of the guide are distributed each year (S.

Hill, 2002) by mail, at Michigan Department of Transportation rest stops/welcome centers, and at agritourism destinations. One focus group participant, Peter,¹ felt the guides brought dollars to Michigan and supported small businesses, saying, “We have more people from out of state taking those things than we do people from in the state. And, we get rid of the big box they send us every year and we run out early, and so I think that’s helping these little farm markets all together...”. In addition to the U-pick brochure, participating farm markets and agritourism producers also are listed on the MDA website under Select Michigan, a new designation for Michigan-produced agricultural goods. The Select Michigan branding addresses the results of a 1997 survey of Michigan consumers, which found that while 75% of those surveyed were more likely to buy a product from Michigan, 62% found it difficult to identify Michigan products. Select Michigan clearly identifies products as Michigan-grown or processed. The logo helps the state’s agricultural industry capitalize on Michigan consumers’ loyalty to Michigan products derived from their view of them as fresher, higher quality, great-tasting and safe, and because they have an economic loyalty to buy Michigan (Michigan Department of Agriculture, 2003). While only about a quarter of farmer markets and like operations are listed on the guide or on the web, ultimately the MDA will have an updated web database of agritourism producers to help them schedule events and provide customers with desired travel planning information. Such an information channel that reflects the state’s marketing assistance can help the majority of people, who according to the state tourism office, Travel Michigan, plan and make their decisions on when and where they’re going on vacation just 14 days in advance (S. Hill, 2002).

¹ Names of focus group participants have been changed to maintain confidentiality.

Information sharing to improve the agritourism product

Small agritourism producers link through the sharing of information. They cooperate with other tourism enterprises and learn from other entrepreneurs' experiences. In Michigan, agritourism producers illustrated their interdependence which contrasts with the traditional view of the individualistic commodity producer. For example, they learned operations-related information on suppliers (i.e. where one could get a donut machine, an oven for the bakery/cider mill facilities). More importantly, they also picked up marketing ideas from each other which could be used for continually improving the agritourism product. One farm marketer, Denise, noted how “the nature of our business that we’re self-supporting and...so you’re just willing to pick up any idea anywhere and take it and run with it.” Another agritourism operator, John, jokingly called learning from other operators as

...basically legalized theft that occurs when you walk on the Beck farm and see what they’re doing that’s working right. We take their good ideas and then we discard all of the stuff they did wrong... so basically if one person does something right, you know, makes the effort and tries something good, the rest of the industry picks it up pretty quickly cause that’s working good. We’re going to go with that way too. We all make our own mistakes so we...at least in the entertainment side...in the retail side, we’re not so compartmented...We share that knowledge back and forth very freely.

John contrasted the agritourism industry with the commodity food production one, which he characterized as well-known for lack of services to customers (i.e. “Never finding anybody anything”) as well as to their peers, “You know, right or wrong, they never let anything out. So, consistently, they can all make the same mistakes every year without there ever being a greater source of knowledge.” In contrast, constant innovation through the sharing of ideas strengthens Michigan agritourism.

Referrals to other agritourism producers

Another service-oriented linkage among agritourism producers involves referring customers to other businesses that could satisfy their needs. Referrals occurred in part because they did not view other agritourism operators as their competitors, but rather supermarkets and other entertainment outlets for customers' food and leisure expenditures were. John noted that he referred customers to other farms since:

if...if there's something we don't carry, somebody wants something, we specifically refer them to a farm as soon as possible because that gets the folks ...if they want to find something, it's...it's outside of the city border, so if it's out on a farm, it's out on a non-main road. That goes back to, I guess, identifying who our competition really is. A lot of it could figure that the big box store, there's some wholesale supermarket...And that...that becomes our competition as far as to spend the money. As we go in the entertainment side of it, it's not a matter of, can I get something cheaper, certainly they can. We're not going to win that war. But, where are they going to spend that money on weekend or a weekday trip that's good?

Service, a key aspect of agritourism specifically and of rural tourism generally, involves satisfying the customer. While ideally the operator has the product the customer walking in the door wants, referring people to other businesses that do can build good will for the individual business, for agritourism, and for Michigan farmers, who only make up 2% of the state's population. Agritourism operators have service-derived good will as their comparative advantage relative to the supermarkets that offer cheap food. One operator, Peter, expressed the importance of service and referrals in getting repeat customers:

...if everybody in the room and everybody that was in the business networked and passed these out (brochures), most of us are in these various things, it just becomes one help...one hand helping the other and there's enough, really enough business for everybody, I mean, to go around. I've sent people to competitors if they're looking for something. This is probably one of the best services you can provide. If...if somebody's looking for something specific, try to...your best to find it for them. And they remember that.

Referrals occur in part because Michigan agritourism businesses are differentiated enough in terms of the products and services offered and their resulting customers. Such referrals can help generate tourist dollars needed to keep the land in production. One agritourism operator, George, described the niches in Michigan agritourism that allow essential cooperation:

Bob (pumpkin farmer participating in the same focus group), we did a corporate picnic for a farm credit services, and Bob was one of 600 people... But, Bob was at our place, and I...I...we're not in competition with the same people, but in October, we're both selling pumpkins, and that's big month for both of us, maybe more for him because...and before he left, he said, could I have some of your cards or brochures. He says, because what you're doing, as far as the corporate picnic thing, I don't...I don't touch that market, and I'd be willing to promote you. And, I'd never met him before. He was literally a guest for...as...come from farm credit, and I sent you a note and appreciate it very much, and that's the type of thing, if you don't do it, I think you're...we don't have a chance to survive.

Purchasing linkages

In addition to the informational linkages that help generate tourist expenditures, agritourism operators also support their peers by purchasing items they do not produce or that they utilize in value-added processes. For agritourism operators, purchasing from neighboring farms helps keep land in production and in the aesthetic, farm landscapes that attracts tourists. For farmers and other agritourism operators, selling to small and medium-sized tourism operations can yield higher prices than if they sold their crops to large wholesalers whose purchasing power forces prices down. Two nearby agritourism operations in the Traverse City area had mutually beneficial production and purchasing linkages. Friske's farm market had a large orchard operation, including its own packing line. While Pond Hill Farm produced fruit, limited resources constrained it from having a large orchard operation. Thus Pond Hill bought from Friske's, in order to expand its on-

site offerings, while Friske's was able to profitably sell apples and cider it did not sell on-site to other local farm markets and area grocery stores. Such profitable sales to other local farm markets and on-site have sustained production.

In addition to benefiting other agritourism operations through purchasing linkages, agritourism also benefits primary producers who are key suppliers of the ingredients used in value-added agritourism processing. Peterson's, one of the few organic wine producers in the world, made purchasing decisions which explicitly took into account the price that farmers need to turn a profit and keep the land in production.

As owner Duane Peterson noted:

We pay a good price for top quality fruit and, in fact, my first question to every grower is, what do you need to make a profit? Not how cheap can you sell me the product? Cause I only want the best. They have to make money or they can't stay in business, and if they're not in business, I don't have anything to make wine out of...

I don't need their money. I don't want their money. As long as I can make what I need to make, and I know what I have to pay to make that, then I'll pay them, whether they ask for it or not. And if that kind of concept could be going on with the whole industry, everybody would make money, period. It's just a different way of looking at it, or...or a different picture, but something like that has to happen. You've got to look out for each other, but the processor, and has got to...you know, I can't believe those guys aren't smart enough to realize, if their farmers go out of business, they've got nothing to process.

Whether they are involved in agritourism or not, farmers are dependent on processors. They need to consider the prices they receive from them as well as the long-term survival of those processors. Given global competition, Michigan's fruit growers cannot survive by selling commodities for limited processing (i.e. bagging or juice). Since 1998, one in five apple growers in southwest Michigan have left the business due to poor seasons that have compounded problems associated with worldwide overproduction of apples and China's exports of apple juice to the U.S. (Finnerty, 2001).

Remaining commodity producers are dependent on financially-strapped processors like Hartford, Michigan's Shafer Lake Fruit Inc., one of the few remaining large fruit packers for 40-60 area apple growers that then ships to grocers. In contrast, value-added agritourism operators such as Peterson's Winery can afford to pay farmers what they need to stay in business because it produces specialty organic wines that people are willing to pay a premium for. This ability to increase value-added product prices and the amount paid to suppliers does not exist for Michigan processors of undifferentiated apple juice or canned asparagus, which can utilize cheaper imports.

Strengthening territorially-based agritourism

Finally, a cooperative approach, rather than a competitive one, can also help strengthen an area's agritourism reputation. A group of small-scale operators can achieve the critical mass of resources and attractions necessary for effective promotion to target markets and provide a geographic identity (Che, 1994; Weaver et al. 1996). The UK Farm Holiday Bureau's local area groups (LAGs) defined around established tourism areas or areas with a distinct sense of place can emphasize local area identity for agritourism through the use of local recipes, local produce, building materials and architectural styles. The locally-based cooperation can help differentiate an area from the global homogeneity of tourism destinations (Clarke, 1999). Currently wine producing regions in Europe, Australia and North America have developed geographical, specialized networks and routes around local identity. These routes based on collective action and social relations of small entrepreneurs can foster a regional reputation, differentiated products, and premium prices (Brunori and Rossi, 2000; Telfer, 2001).

Even when agritourism operations don't sell the same product (i.e. wine), individual small and medium-sized enterprises can realize image improvement and competitive advantage as part of a larger network's publicity and credibility. The destination can be more broadly marketed than would be possible on the individual operator level. The greater region's attractiveness as a tourism destination is heightened. Ideally this cooperation leads to the long-term survival of rural areas, an increased sense of cohesion, community spirit, and self-reliance as they hold a competitive advantage over other tourism destinations (Halme and Fadeeva, 2000).

In Michigan, working together strengthens an area's agritourism reputation. Through the Southwestern Michigan Tourist Council, agricultural businesses that were working independently came together to promote the region's agricultural offerings. The council has packaged area farms with a compiled list and map on its web site (McCall, 2002). Its "Drive Among the Blossoms" linking all the agritourism businesses in southwestern Michigan helps bring in visitors from the Chicago metro area.

Cooperation sustains a critical mass of agritourism producers that are needed to attract people to a town's farmers' market or to a region. Traverse City and Boyne City, which have the most vendors, are the most successful since they draw more people. As one vendor, Joe, noted, the traffic in Traverse City and Boyne City is 10 times the normal on market days which leads to spin-off sales of gas, impulse buying, etc. that benefits the community. Likewise, greater numbers of on-site agritourism producers in an area also create a greater draw to customers as one orchard operator, Susan, noted:

In our small area (rapidly urbanizing Macomb Township), there's quite a few different markets and I actually think that it brings the customers to our area, knowing that we have a lot of markets there and a lot of different choices, so I think it's to our benefit.

As operations work together, they build the territorially-based agritourism industry.

Agritourism operators' cooperation and survival in an era of agricultural restructuring

Agricultural restructuring characterized by increasing global competition and capital and technology-intensive production have impacted Michigan's relatively small farmers. At the same time, increasing demand for developable land outside the state's sprawling cities and the greater profit in growing houses rather than commodity crops pressure farmers. In response, some Michigan farmers have focused on the retail, entertainment side of the business and moved out of wholesale altogether as they try to maintain the family farm.

In shifting towards the service-oriented agritourism industry, the operators who participated in our focus groups cited the importance of cooperative linkages to strengthen the Michigan agritourism product. Cooperation can take the form of pooling resources in brochure production and web linkages, sharing information to improve operations and the agritourism product, referrals to other businesses, purchasing linkages, and working together to create a place-based agritourism identity. Such linkages have taken place given their realization the destinations are not competing with one another, but rather with alternative leisure and purchasing outlets. 'Big box' supermarkets certainly sell apples for less, but these businesses don't offer the agritourism experience. As one participant, John, noted, "A lot of folks, when we get that point, they're not so specific as the single site that they're in as the fact why they're going out to a site, that is, to get away from or get a different product from what they can find in the city."

Agritourism operators need to increase their visibility among suburban and urban customers vis-à-vis their competitors, alternative purchasing and leisure options. One Christmas tree business owner, Greg, identified his biggest competition as the artificial tree, but now “we are getting more and more people every year who used to have that enemy, and now they want the real tree...”. Alternative opportunities during the limited weekend leisure time pose a greater threat than their fellow agritourism businesses. One large agritourism operator, Mark, explained that he does not compete with a farm market eight miles away, but does business with it. Rather as their big business is on weekends, “it is the other places having big (weekend) events (i.e. Michigan State University home football games) that we consider a competition and that are getting the people away from us.” Competition by other non-agricultural attractions and events can siphon off customers from the weather-dependent, seasonal agritourism businesses, as another agritourism entrepreneur, George, noted:

I’m talking about mainly October now, even though we’re open the other months...we would probably...and those three or four weekends...what? Ten...twelve thousand people? In order to maintain that, I don’t see a big growth, and that’s kind of scary to us because I think what happens...there’s so many attractions that people from that boomer generation. If we missed them on one weekend where it’s rained, they’re spending the next weekend at the Zoo Boo (Halloween event at Battle Creek’s Binder Park Zoo) here or there. So, if we miss them on some of those good weekends that October has become so weather related and then...and October is so important...it’s such a big phase of our business as far as...as dollars.

In the words of one farmer, John, “it goes back to the theory that somebody mentioned earlier that we are not our own competition.” The survival of their individual businesses and that of the agritourism industry depends on their working together. The latter requires a critical mass of agritourism operators so that an area can develop a place-based identity for tourists. It also requires the development of a service, rather than the

production orientation that farmers have traditionally held. If customers have a positive experience at one farm market or agritourism destination, it carries over and reflects on agritourism and farming as a whole. Gail, an orchard owner, noted that customers who had gone to other agritourism sites in the area had confidence to go to hers.

According to the entrepreneurial farmers, agritourism and its associated value-added items and edutainment is a way in which they can maintain the family farm. They also see the agritourism strategy as a means to stem further losses of farmland to exurban development. Instead of viewing other farmers as competition, they view them as collaborators helping to build Michigan's agritourism product. At the closing of one focus group session, one participant, Peter, suggested that more farmers be encouraged to enter the agritourism industry as a way to deal with agricultural restructuring:

Hopefully, something will come out of this that will encourage farmers that are maybe on the verge of losing the farm, giving up the commercial farming, cause you can't make money at it today, unless you're super huge, and even those are going under... an information type of packet or something could come out to provide, maybe the basis for someone to start the tourism...agri-tourism aspect, that maybe they had never thought of. Maybe this just had generations of get on the tractor and go out in the field and...and do your thing and sell it to the wholesalers and take what you can get. So, maybe the information put together would benefit people that aren't here today that may want to eventually get into the business.

In light of the changes facing Michigan's farm sector, it is important to support and promote this growing trend. Previously, with the exception of the tree farms and some of the fruit U-picks, most of these agritourism operations provided little more than butter-and-egg money, with visitor schedules tucked around the 'real' farm work. This is no longer the case. As farms participate in agritourism, increase in number, and diversify the product mix, they will make an increasing contribution to rural Michigan's economy.

Michigan agritourism will contribute to the tax base, to employment opportunities, to consumers' choices, and to shoring up rural communities.

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APPENDIX II: PRODUCER SURVEY REPORT

2002 SURVEY OF AGRITOURISM OPERATORS IN MICHIGAN

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2002 Survey of Agritourism Operators in Michigan Executive Summary

Objectives

The purpose of this survey is to gain a greater understanding of the current conditions and practices of agritourism operations in Michigan. The main objectives include the following:

- To profile the agritourism operations in terms of major products, services, and activities
- To determine the number of customers served by the operations
- To determine the average gross sales of the operations
- To characterize the employment opportunities created by the businesses
- To describe the major types of advertising and promotion used by the operations
- To determine the main benefits of agritourism operations to customers, operators, Michigan agriculture, and the state of Michigan, as perceived by the operators
- To learn the main impediments to the agritourism operations, as perceived by the operators

Methodology

Two research methods were used for this study:

- Three focus groups, each consisting of from six to nine agritourism operators, were conducted in Kalamazoo, Ellsworth, and Flint during 2002. The focus groups were conducted to elicit the ideas and perceptions of the operators and to assist in the development and interpretation of a broader survey.
- A survey of Michigan agritourism operators was conducted during 2002 and 2003. The surveys were distributed via direct mail and through industry meetings and conventions. A total of 301 usable questionnaires were returned.

Major Findings

The following are the major findings of the survey:

Products and Sales

- Agritourism operations offer a wide range of products, services, and experiences for tourists, including u-pick and/or ready-to-sell berries and tree fruits, crafts, baked goods, hay rides, pumpkin patches, u-cut and pre-cut Christmas trees, sleigh rides, hunting ranches, sheep and llama farms, petting zoos, stocked fish ponds, dairy farms, nurseries, vineyards, and many others.
- The five products offered most frequently by agritourism operations were apples, Christmas trees, pumpkins, animal products, and strawberries.
- About one-fifth (19%) of the agritourism operators were open year round; the rest (81%) were open just part of the year, with an average of 175 days of operation in 2002.
- The average number of visitors to an operation in 2002 was 11,647, although this figure varied widely (standard deviation (SD) of 35,437).

- Gross sales of the business varied greatly (SD \$357,017), but averaged \$141,334 in 2002.

Employment

- While variations among operations were very large, the average business employed 2.61 family members, 2.44 full-time non-family workers, and 8.82 part-time non-family workers.

Advertising and Promotion

- Amount of money spent on promotion and advertisement varied widely (ranging from \$0 to \$180,000), but averaged \$5,632 (SD = \$16,362) in 2002.
- The most-used form of promotion was, by far, newspaper ads, with almost three-fourths (72.3%) of the business claiming to use this form of promotion. Other popular forms of promotion included developing and mailing out one's own brochure (38.6%), being listed in MDA's Michigan Farm Market and U-Pick Directory (34.1%), and developing and maintaining a web site (33.1%). No other advertising method was used by more than one-third of the agritourism operations.

Benefits

- The agritourism operators felt that their businesses provided a number of benefits to their customers. The top three were: 1) the customers have an opportunity to experience a "personal touch" as part of the sales process, 2) the customers can buy fresh agricultural products, and 3) the customers can participate in a family activity.
- Benefits of agritourism business that operators felt to be "important" or "very important" included 1) that it allows them to maintain a "way of life," 2) that it allows them to keep the family farm, and 3) that it provides additional income.
- Agritourism operators felt that three important benefits of agritourism to Michigan agriculture were: 1) maintaining the viability of agriculture in Michigan, 2) increasing understanding of agriculture among non-farmers, and 3) creating brand identity for Michigan agriculture.
- Agritourism operators felt that their businesses brought a number of important benefits to the state of Michigan, with the top two being preserving open space and farmland and keeping Michigan tourists and dollars in-state.

Impediments

- Agritourism operators felt that there were a number of impediments to agritourism development. Four impediments that were rated by most operators as "very important" or "important" were: 1) loss of property tax homestead exemption, 2) zoning or local ordinances, 3) liability, and 4) signage regulations.

Conclusion

This study documents the strong economic and social benefits that agritourism operations provide farmers and their customers, as well as the state of Michigan. It is recommended that the state of Michigan provide support to these businesses by working

with other governmental agencies regarding regulations constraining the growth of agritourism in the state, and by further linking agritourism with the current Travel Michigan's "Great Lakes, Great Times" and MDA's "Select Michigan" marketing strategies.

2002 Survey of Agritourism Operators in Michigan

I. INTRODUCTION

Agriculture across the United States has changed in myriad ways in the past several decades, and the farm sector of Michigan is no exception. An influx of globally-traded products, greater competition, declining profit margins, high land taxes, and the increase in the scale of traditional farm operations across the Midwest have put added pressure on many farm operations in Michigan. Michigan farm families have realized that for many, new solutions are needed to meet these increasingly complex challenges of the market place. One increasingly popular and creative response by Michigan farmers has been to seek income opportunities in new areas which taken together have been referred to as “agritourism”. These on-site retail based operations, which bring many types of consumers *to the farm* to purchase products and/or participate in agriculture-related activities, contrast sharply with the typical mixed grain/dairy farm, grain/cash crop farm, wholesale bedding plant greenhouse, or wholesale fruit/vegetable farms typical of Michigan’s past. Certainly, many successful U-cut Christmas tree farms and profitable vegetable stands have operated along many scenic Michigan roads for decades. These smaller scale concerns remain important, but also contrast with many newer, more savvy, and sophisticated operations which offer on-site sales of countless farm-related products and activities. These operations draw consumers with advertising on the “web” and electronic newsletters, as well as more intensive use of conventional advertising venues. These new agritourism businesses have increased dramatically throughout Michigan in recent years, with some estimates of more than 2,000 such ventures across our state (see Sandra Hill, Michigan Department of Agriculture (MDA)). Currently, these operations are hard to miss. Visits to a favorite Christmas tree farm and pumpkin patch have become important aspects of holiday celebrations for many in Michigan and throughout the country. It is hard to imagine the summer and fall in Michigan without visiting our many farm and farmers’ markets. Indeed, many visitors to Michigan’s agritourism operations are local, but many others reside in nearby states, drawn by our splendid diversity of products (more than any other Midwest state), our beautiful rural landscapes, and our friendly people. Of course, when residents or non-Michigan residents visit our farms,

they spend on many products and services past the farm gate. Gas stations, restaurants, hotels, bed & breakfasts, retail stores, and other types of tourism venues all benefit from a Chicago or Toledo family picking apples or blueberries, cutting the family Christmas tree, or visiting wineries. In short, these agritourism operations represent a vital source of revenue, income, wages, taxes, and job opportunities for the areas in which they are located and for the state.

Once only seasonal in terms of the period of operation, many of these ventures are continually expanding them from several months to year-round by adding to the types of products and activities offered. A family apple orchard, which once operated only during the U-pick apple season, now offers a fish pond coupled with fresh vegetables for sale to open the gates early in the summer. Halloween-related activities extend the season later in the fall.

There is growing recognition in the cultural importance of these operations which represent opportunities for many to visit (or return) to rural America *at least for a day*. These firms, in part, are successful because consumers are looking for experiences beyond the products they purchase at these farm-based businesses. Considerable research has been conducted on the sociocultural impacts of agritourism. Much of this research has been conducted by university and college researchers as well as by government researchers in the U.S. Department of Agriculture. Certainly our own research reflects the perspectives of many of the farm families in the survey who recognize that these operations can be expanded because people are looking for emotionally satisfying experiences that can result from visiting these farm-based businesses.

Michigan's major agritourism trends might be summed up as "more." There are more operations offering more goods and services for longer periods of time to people drawn from geographically further away with more sophisticated targeted advertising. Researchers are all in agreement that these operations are important in both cultural and economic terms, not only for the farm families who have developed these businesses, but for the areas in which they are located. Unfortunately, local government officials and the people operating business in and around the towns and cities where the agritourism businesses are located are not always aware of the economic and cultural benefits of these

concerns, particularly of the roles they play in terms of local employment, tax revenues, and the positive influences on other local businesses via agglomeration effects.

II. METHODOLOGY

Until recently little systematic research has been done to evaluate the economic impact (income, wages, taxes, revenues) of these increasingly important farm-based businesses in Michigan. Given the great diversity in the types of operations, these are difficult data to collect in a large enough sample to make statistically sound generalizations across the categories of operations. Only with a significant sample size can any reliable generalizations be made regarding the economic and cultural importance of these operations. To get this sample, strong support from farm organizations (MDA, Commodity Committees/Groups) is needed to persuade a sufficient number of these family businesses to fill out “yet another” survey. With the goal of establishing benchmark data on the contributions of these businesses to the state and local economy and culture, a team led by Sandra Hill (MDA) and Dr. Deborah Che (Geography, Western Michigan University (WMU)) recently developed a pilot study designed to identify the economic and cultural benefits of Michigan’s agritourism sector. The members of the project team are listed as Appendix I.

Initially, three focus groups, each including from six to nine firm owners, were conducted in 2002 by members of the project team. The focus groups were conducted to elicit ideas and opinions of operators of agritourism businesses to help us design the survey and raise appropriate issues and questions. The focus groups were held in Kalamazoo, Ellsworth, and Flint (the latter via video network). Based on the results of these focus groups, a comprehensive survey was developed by researchers at WMU in conjunction with experts at the MDA in an effort to assess the impact of agritourism on Michigan’s economy. The survey contained questions about location, products and services, visitation, income, employees, wages, revenues, advertising, and several sets of Likert-type questions designed to identify opinions related to the benefits of these businesses, as well as problems that operators currently face. The survey also incorporated a number of open-ended questions related to current and future concerns and problems. A copy of the actual survey may be found in this report as Appendix II.

Once evaluated by the MDA, the MDA sent surveys to approximately 1,500 operations. Additional surveys were distributed at various industry meetings and conventions during late 2002 and early 2003. A total of 311 surveys (301 usable) were returned to the MDA by June 2003 to be included in the economic impact assessment. Not all respondents completed all of the questions, resulting in different sample sizes for various questions. In most of the analyses that follow, 301 surveys are used, resulting in a 20% response rate.

Once the surveys were collected by MDA and sent on to WMU-Geography, the addresses of the participating businesses were geocoded and mapped to reflect the dispersal of participating firms throughout the state (Figure 1). This map will also be used for a new agritourism map which could be linked to the MDA website. Data entry into Excel was conducted by Ms. Jennifer Weller during the Spring and Summer of 2003. Statistical calculations were completed using SPSS 11.0 based on imported MS Excel files.

The sample firms were then given anonymous ID numbers to protect the respondents and the information they kindly provided. Each business was classified for analysis based on the dominant source of revenues. After an initial classification based on 14 types of operations, all farms were classified as one of ten types of operations. Agritourism in Michigan takes many forms, including U-pick fruits, farm markets, and various seasonal attractions. For purposes of economic evaluation, these numerous agritourism activities can be divided into categories that group similar operations. In an effort to organize the respondents of the MDA producer survey, an agritourism category was assigned to each operation based on the products and services offered. While there are many ways to classify the farm operations in our sample, a set of ten general categories describe most of the activities at the respondent operations. Table 1 summarizes the categories and the associated products and services.

The following sections reporting findings will present results initially based on the mean responses for the entire sample or provide responses aggregated by the category of farm operations. In this way, the report provides a universal summary of a typical agritourism operation in Michigan, but then also disaggregates the sample by type of

TABLE 1: Ten Major Types of Agritourism Operations in Michigan

<i>Category</i> ()= number of cases	<i>Description of products and services</i>
Berries (36)	U-pick berry fruits, strawberries, raspberries, blueberries, and cranberries. Often provide picking buckets, water and hand washing stations, and rides to fields. Additional retail food products such as jams, syrup, and baked goods are also offered.
Orchard (55)	U-pick or ready-to-sell tree fruits: apples, cherries, peaches, pears, and plums. Many provide other products such as snacks, jams, and jellies. Coffee, pie, cider and donuts are often sold in the fall season.
Farm Market (54)	Typically an in-town location with assorted fruits and vegetables. May also include crafts, baked goods, jams, jellies. The most diverse product lines are offered by these operations.
Fall Harvest (34)	These are diverse, usually seasonal, operations combining retail sales with farm experiences. Fall foods, including pies, cider, candies, and donuts are offered in conjunction with U-pick apples, hay rides, pumpkin patches, and corn mazes. Some locations may also have a haunted house or haunted/regular sorghum or corn maze.
Christmas (33)	Evergreen tree farm with U-cut Christmas trees. Some have a holiday shop selling candy, coffee/ hot cocoa, wreaths and boughs, stands, ornaments, and pre-cut trees. Some also sell “flocked” trees and a number offer wagon/sleigh rides in December.
Animal Products/ Attractions (19)	Variety of offerings: animal observation in natural settings; organized hunting ranches; sheep, alpaca, and llama farms with natural fiber sales; stocked fishponds; and petting zoos. Horseback riding is also included here, but in the context of on-farm sales of related products as well.
Farm Experience (10)	Dairy farms, but also include operations that offer a variety of produce and fruits <i>in conjunction</i> with activities such as wagon rides, petting zoos, equipment/activity demonstrations, and farm tours. There is a strong element of visitor participation, as well as a frequent focus on historical and contemporary activities.
Honey/Maple (10)	Variety of products centered on either honey/wax or maple sugar, syrups, and sauces. In most cases many other food-related products are also sold such as herb teas and spices.
Nursery (36)	Wide range of bedding plants, annuals, perennials, ornamental shrubs, trees, and landscaping services.
Vineyard (14)	Wine tasting, wine, grapes, fruit cordials, and vineyard tours.

III. FINDINGS

A. General Description of Agritourism Operations

Of the 301 participating firms, 19% were open year round and 81% were open some portion of the year. The average number of days of operation in 2002 was just under 175 days (Figure 2).

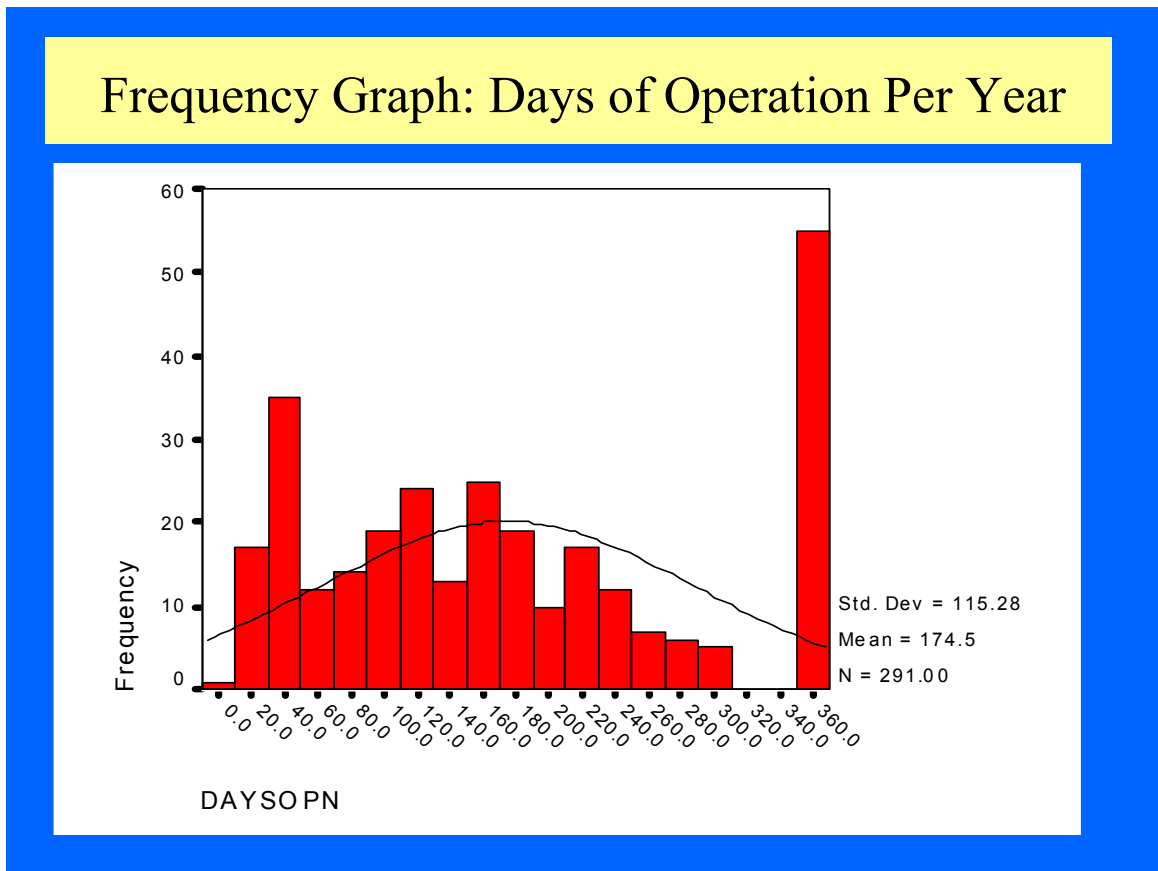


Figure 2: Duration of Operation in 2002 in days

The typical business estimated 11,647 visitors (SD 35,437 persons) in 2002, but this must be interpreted with caution as the grand mean is biased by the very high number of visitors of a limited number of very large firms. The number of visitors actually varied considerably by the category of operation, and these differences tested by ANOVA were statistically significant ($F = 2.448$ $p = .011$) (Table 2).

TABLE 2: Average Number of Customers by Category of Firm

Category	Mean	Standard Deviation	ANOVA@.05 compare group means*
Animal	7,597	9,805	1 ne 4
Berries	3,953	8448	2 ne 4
Christmas	3,841	13,939	3 ne 4
Fall Harvest	37,628	72,539	4 ne 1-3 and 5-9
Farm Markets	14,035	51,409	5 ne 4
Farm Experience	7,311	9,825	6 ne 4
Honey/Maple	782	671	7 ne 4
Nurseries	3,940	8,136	8 ne 4
Orchards	10,650	14,272	9 ne4
Vineyards	24,857	25,628	No differences
* ne means Mean is Not equal to other group means			

B. Seasonality

In terms of the seasonality of visits, 40% of visitors came during the fall, 35% arrived in summer, 13% in winter, and 12% of customers came in spring. Of course this varies in logical fashion with the products sold. As a rule of thumb, however, fall and summer generate the greatest number of visitors, and resulting revenues and employment opportunities (Figure 3).

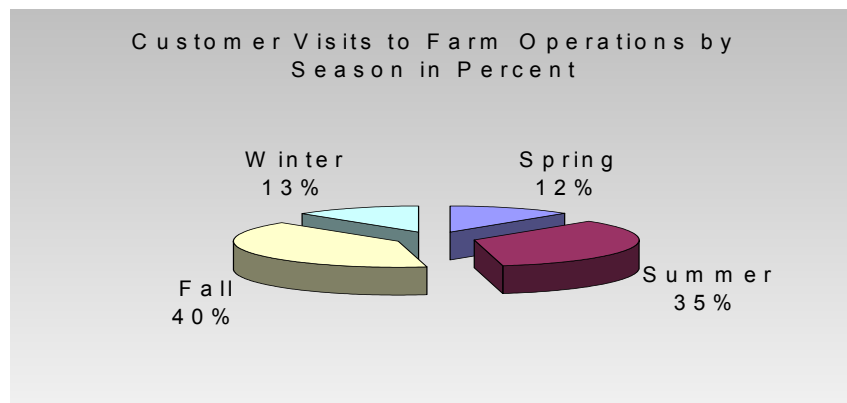


Figure 3: Seasonality of Visitors to Participating Businesses

C. Products and Sales

All of these operations sell a variety of products. Some, such as the Christmas tree farms, all sell a fairly standard and limited “set” of products (trees, wreaths, garlands, tomb decorations, cocoa/cider/coffee, donuts). Others, most notably firms within the “farm market” category, can sell hundreds of products. In the survey, we asked each respondent to rank the eight most important products in terms of gross revenues. Of course, many firms listed only one or two—the most important obviously. A summary table representing 1205 responses covering 66 products (or product categories—i.e., cookies, pies are all grouped as “baked goods”) may be found as Appendix III. The most important aspect to recognize in this summary is the diversity of products and the potential for firms with a limited product line to learn from other successful operations and expand their product offerings. Clearly more products bring greater revenues. Figure 4 provides a comparison of the 15 products that were reported to account for the greatest amount of revenue for agritourism firms participating in the survey.

Forty farms (of 311 usable surveys for this question) reported that apples were the most important product in terms of gross revenue. Christmas trees were second, with 33 farms indicating them as most important. The top 15 products, in terms of gross sales, accounted for 78% of the households participating in the survey. We think that the number of apple orchards and Christmas tree producers are slightly over-represented in the sample, while vegetables are somewhat under-represented. In part, this is due to the fact that direct farm markets sell so many diverse fruits and vegetables as well as jams, jellies, honey, and many other products.

Another interesting aspect of the information reported in Appendix 3 is the consistency with which some products are reported as a second or third most important gross sales item. For example, while baked goods such as donuts, cakes, fruit pies, or cookies are seldom the most important source of sales, 10, 19, and 15 farms respectively reported these foods as second, third, and fourth in sales values for their operations. Many farms are working towards adding products to sell in order to give visitors more choices while simultaneously expanding their sales potential.

Most Common Products Ranked as Highest in Gross Sales by Farm Households: 2003

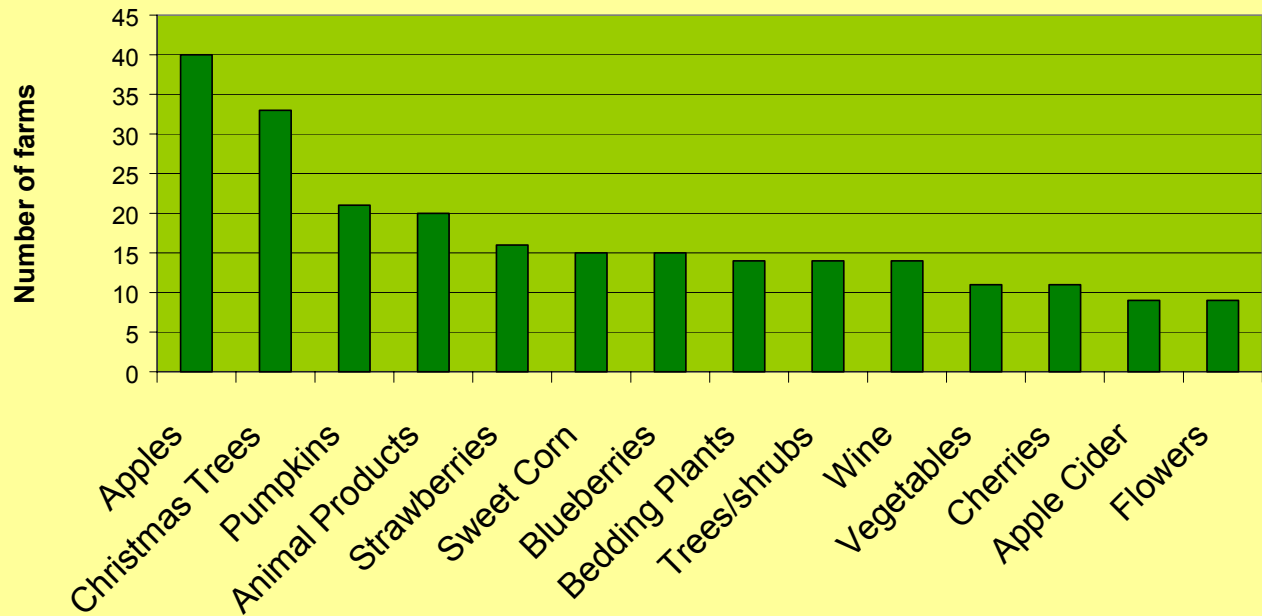


Figure 4: Most commonly reported products generating the largest gross revenue per firm.

Considerable variation across the different categories of operations exists with respect to the estimated mean receipt per customer. The average receipt per person/visit for the 142 firms that chose to answer this question was \$28.83 (SD \$34.68). Nurseries reported the highest receipt (\$73.05, SD \$54.39). Wineries reported the second highest per capita receipts (\$51.87; SD \$26.25). The lowest per customer receipts were for farm markets, with orchards and berry farms all reporting within \$15.00 to \$15.50 per customer. Figure 5 shows the distribution of per capita sales receipts for the sample of 142 farms answering this question. Not all participating firms had information on the number of customers, and thus were reluctant to estimate this figure.

Gross sales varied most significantly and underscored the differences across the many diverse operations included in agritourism operations. For the 208 firms that chose to report gross sales (about 1/3 left this and related questions blank), the average estimate

from gross annual sales in 2002 was \$141,334.00 with a standard deviation (SD) of \$357,017.68. Clearly for our sample of businesses, the scale of these operations and the products they sell are quite diverse. Our smallest firm reported only \$100.00 in sales in 2002, while the largest firm (by sales) reported gross sales of over \$3,000,000.00. As would be expected, sales tax is closely associated (correlated) with gross sales (Pearson's $r = .78$, $p = .0001$). Table 3 indicates the considerable ranges for both gross sales and sales tax for 2002 by type of firm.

TABLE 3: Average Gross Sales and Michigan Sales Tax by Firm Category for 2001

Category	Mean Gross Sales	SD	MI Sales Tax	TAX SD
(1) Animal (n=11)	\$51,227.00	\$70,877.00	\$2,084.11	\$2,984.61
(2) Berries (n=26)	\$44,601.00	\$55,322.74	\$576.81	\$1,856.95
(3) Christmas (n=28)	\$20,914.00	\$34,209.77	\$1,137.39	\$1,718.34
(4) Fall Harvest (n=23)	\$214,479.00	\$572,152.96	\$3,769.58	\$9,256.46
(5) Farm Markets (n=34)	\$164,479.00	\$520,561.39	\$2,686.34	\$9,481.64
(6) Farm Experience (5)	\$114,559.00	\$237,476.73	\$338.25	\$471.51
(7) Honey/Maple (n=6)	\$23,333.00	\$19,704.48	\$12.50 (??)	\$25.00
(8) Nurseries (n=31)	\$152,907.00	\$183,686.15	\$9,399.49	\$13,262.41
(9) Orchards (n=34)	\$201,671.00	\$389,362.58	\$1,782.14	\$4,798.42
(10) Vineyards (n=10)	\$425,250.00	\$464,072.99	\$26,522.22	\$24,910.23
Total response = 208				

Frequency Graph: Mean Customer Sale in Dollars (receipt) by Operation: 2003

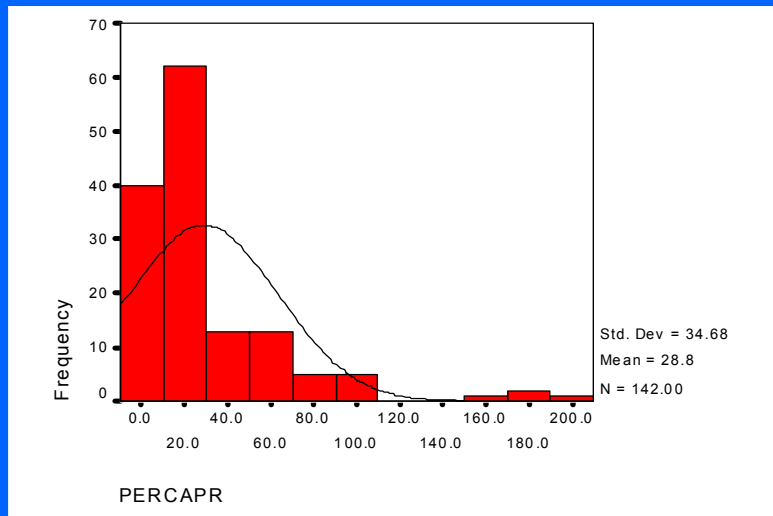


Figure 5: Mean Customer Receipt among Participating Agritourism Firms

D. Employment

The following table shows a great range in the number of part-time and full-time employees when the sample is disaggregated by product categories. Overall, there is very little difference in the mean number of FAMILY members working at the agritourism business. Families are about the same size everywhere! On average, firms participating in our survey reported 2.61 family members work at least seasonally at the farm business (standard deviation 1.727).

This consistency does not hold for non-family part-time or full-time workers. The numbers that follow underscore the genuine importance of these agritourism firms to local economies. Taking the entire sample as a whole, participating firms reported 2.44 full-time, non-family workers (SD 3.5) and 8.82 (SD 21.2) part-time, non-family workers. Great variation exists across the types of firms and, of course, among the firms themselves. In fact five VERY large firms were removed from the sample prior to estimation of sample means due to the extremely large values of these businesses. Inclusion of these very large firms added several employees to both grand means. We recognize it is important to identify these large, successful firms and the very positive influence they have on employment, but their inclusion skewed results for 98% of sample

firms. Consequently, they were dropped from the category mean estimates in Table 3 as well. **Given the size of the sample (300 firms), it is certain that, ON AVERAGE, each firm provided employment to 2.5 full time workers and almost 9 (8.82) part time workers.**

TABLE 4: Average Number of Employees by Type and Category of Firm

Category	Mean Full-Time	Mean Part-Time	ANOVA sig@.05 Differences of Full Time Means
(1) Animal	1.75	3.89	Means all the same
(2) Berries	1.64	8.14	2 ne 4 and 10
(3) Christmas	.72	5.92	3 ne 4, 9, and 10
(4) Fall Harvest	3.8	20.83	4 ne 2, 3, and 7
(5) Farm Markets	2.55	3.83	5 ne 3
(6) Farm Experience	2.0	2.83	Means all the same
(7) Honey/Maple	.57	3.71	7 ne 4
(8) Nurseries	3.26	4.81	8 ne 3
(9) Orchards	2.56	13.31	9 ne 3
(10) Vineyards	4.42	7.45	10 ne 2, 3, and 7

Looking to wages and the hours worked by the part-time workers, the importance of agritourism firms becomes clearer. Figures 5, 6 and 7 provide the frequencies, means and standard deviations for hourly wages for general full-time employees, part-time employees, and managerial workers.

Figure 6: Mean Hourly Wages Paid Out by Participating Firms

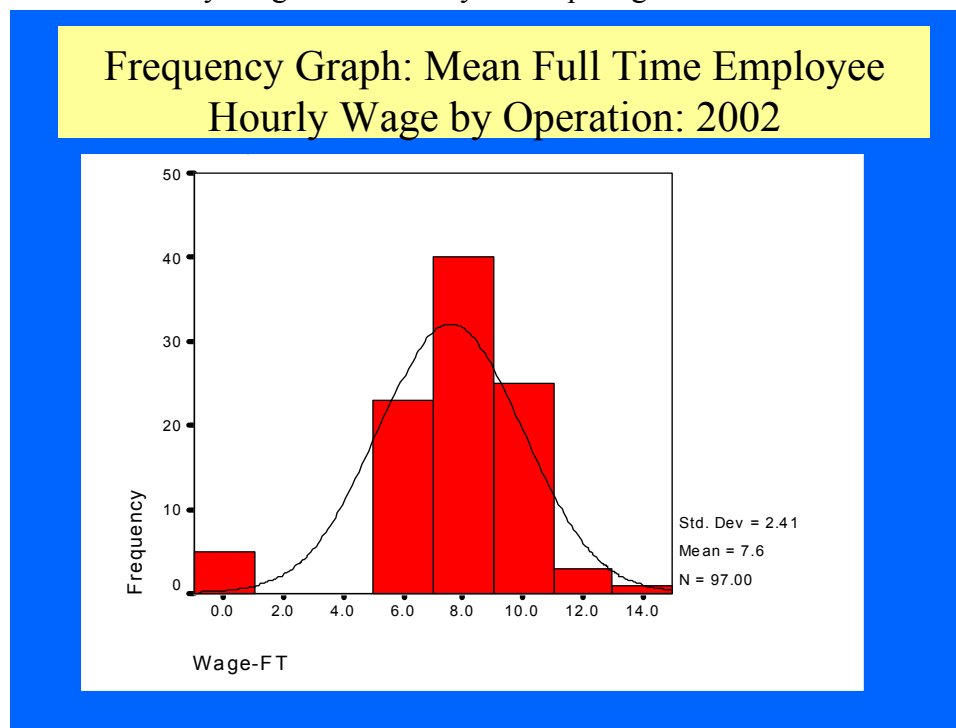


Figure 7: Mean Hourly Part Time Wages Paid Out by Participating Firms

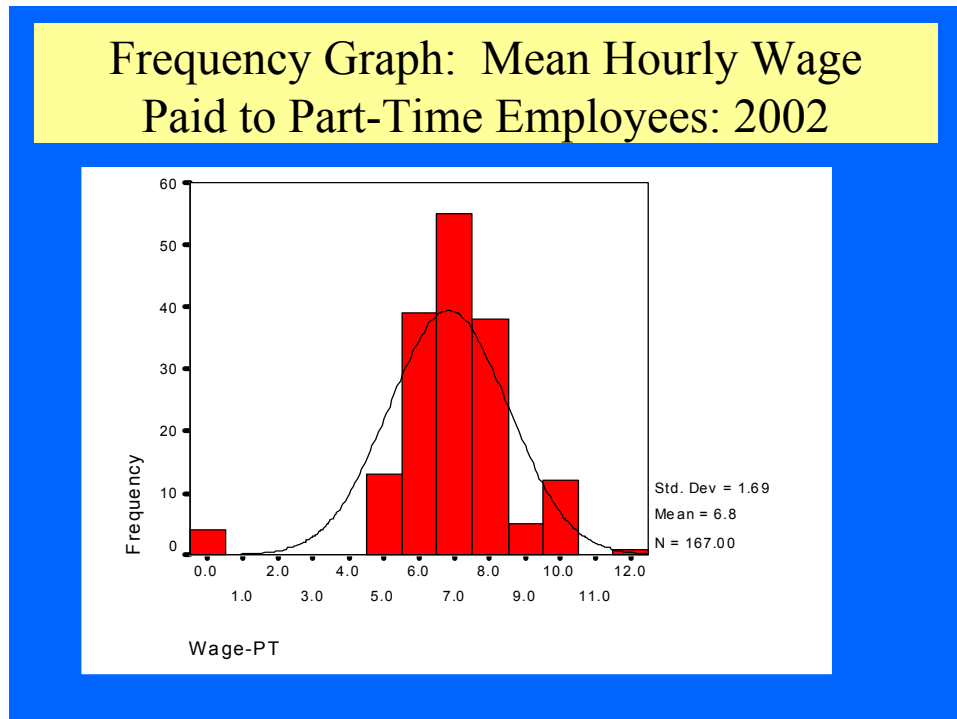


Figure 8: Mean Hourly Wages Paid to Managerial Help by Participating Firms

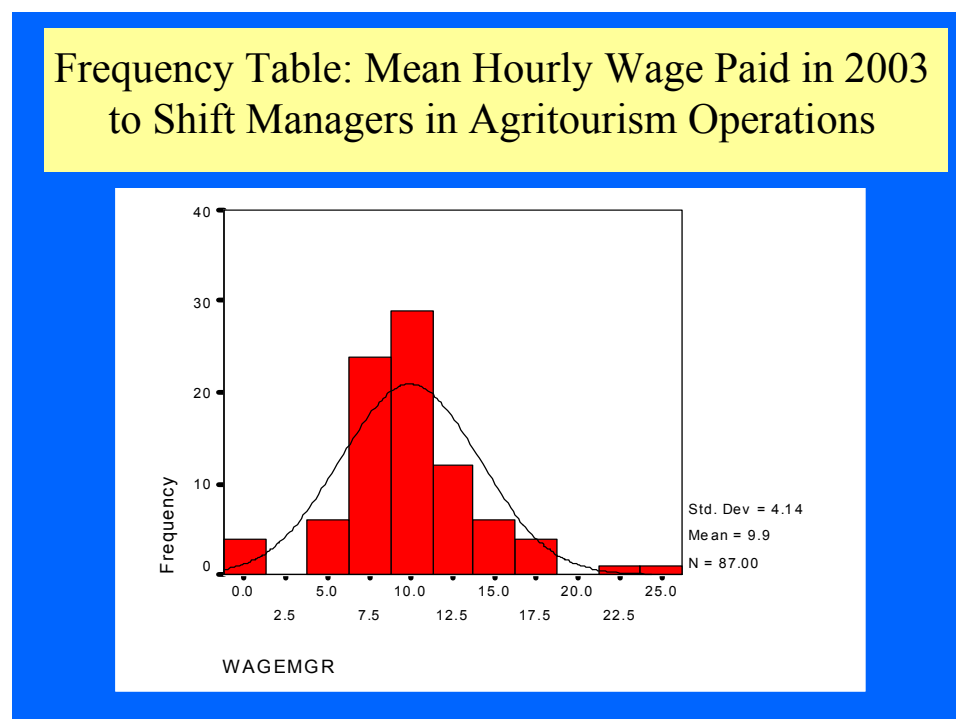
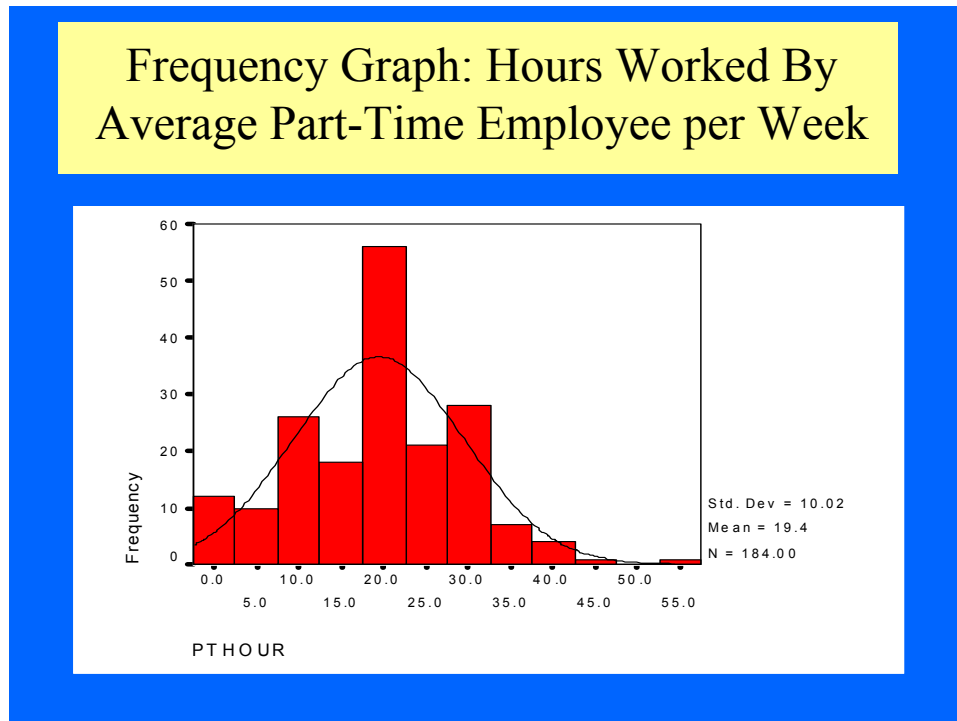


Figure 9: Average Number of Hours Worked per Week By Part Time Employees



E. PROMOTION AND ADVERTISING

1. Expenditures

The amount of money spent on promotion and advertising by Michigan agritourism operations is extremely variable, ranging from \$0 to \$180,000 (by a year-round farm market that generates \$3 million in sales a year and has forty employees). The mean advertising expenditure is \$5,632, with a very large standard deviation of \$16,362. The median expenditure is \$1,150.

The money invested in promotions and advertising also varies greatly by category of agritourism operation, with the largest average amount spent by animal farms (sheep farms, petting zoo, etc.) (\$14,875) and vineyards (\$14,881) and the smallest average amount spent by Christmas tree farms (\$1,448) (see Table 5).

Table 5: Mean Promotion and Advertising Expenditures by Category of Operation

Category of Operation	# of operations in survey (n)	Mean annual promotion and advertising expenditures (\$)	Standard deviation
Animal farms	20	\$14, 875	35,639
Vineyards	14	14,881	13,761
Nurseries	40	7,505	9,151
Farm markets	52	6,171	26,793
Orchards	56	4,912	11,707
Fall harvests	34	4,441	6,366
Berry farms	36	2,655	7,390
Christmas tree farms	32	1,448	1,895

When the focus groups members were asked about promotion and advertising expenditures, the amount they spent also varied considerable, with some relying strictly on word-of-mouth and others investing a great deal of money. Several of the focus group members seemed unsure of how much they should spend in advertising and how to spend the money.

How much does everybody spend on their advertising each year? What do you use? Because it's something we battle with every year. We always spend about \$50,000 a year, which is a lot of money. ...I don't know, we're going to experiment with it. But quite honestly, just by other people in our business...makes me think that we're spending too much. (Owner, fruit farm)

In my case, I spent absolutely nothing, with the exception of the cookbook, on advertising last year. I didn't advertise nothing, nowhere, as far as actually paying for advertising. And I had more business than I knew what to do with. My experience has been, for some reason or another—and, don't ask me why—I'm not hear to blow my own horn, and yet somebody is-- and they tell me, we you treated us so nice, and you explained this, and you explained that, so we thought we'd bring our neighbors back, or bring the grandchildren or the grandparents. (Owner, pumpkin farm)

Methods

According to the survey, the most-used form of promotion and advertising by the agritourism operations is, by far, newspaper ads, with almost three-fourths (72.3%) of the

businesses claiming to use this form of promotion. Other popular forms of promotion include developing and mailing out one's own brochure (38.6%), being listed in the MDA's Michigan Farm Market and U-Pick Directory (34.1%), and developing and maintaining a web site (33.1%). No other advertising method was used by more than one-third of the agritourism operations (Table 6).

Table 6
Use of Advertising and Promotional Methods

Advertising and Promotional Method	% use
Newspaper ads	72.4
Own brochure (mailed)	38.6
Farm Market & U-Pick Directory listing	34.1
Own web site	33.1
Radio advertisement	28.3
Newsletter	24.4
Web site link	21.2
Billboards	20.9
Press releases	20.6
Event sponsorship	19.6
Coupons	19.6
Own brochure (distributed at welcome centers)	13.8

In the focus groups, the agritourism operators describe a wide variety of promotional and advertising methods that they had found effective. Many of the operators mentioned the importance of word-of-mouth in promoting their operations.

A lot of what we do, I like to call it guerilla marketing, with the brochures and get the word of mouth going. You know, I still feel that word of mouth is the biggest, the biggest and the best. People that have been there in touch are happy with your product. I mean, most of our business is repeat customers. I would say now we do 150,000 a year and, out of that, 120,000 is repeat customers. It's just amazing. (Owner, winery)

Our best tool is our calendar of events. It's a brochure that we send out as a direct mail piece each year. We print 30,000 of them. We mail probably about 6,000. The rest are picked up at rest stops, local business, and also at our business... Word of mouth is, by far, our best tool. We have thirty years of experience... Our place is more of a tradition for families... One thing that's been very successful is billboards that we do in the month

of October...Also, a radio campaign, which is kind of minimal, and then we'll create a few TV ads. (Owner, fruit farm)

2. Cooperative Marketing Efforts

A minority of agritourism operators partner with other businesses for cooperative marketing efforts. The only cooperative marketing efforts that more than one out of ten agritourism operators engaged in are with other agritourism operators (11.9%) and with hotels or motels (10.1%) (see Table 7)

Table 7: Use of Cooperative Marketing Efforts

Partners	% use
Other agritourism operators	11.9
Hotels or motels	10.1
Bed and breakfasts	7.1
Restaurants	6.1
Group tour operators	3.5

We found that networking between the hotels, the restaurants, the tourist information at I-94 coming into the state, the other fruit markets...it's networking with all these people and we even worked on packages with the hotels. They would give, you know, so much off for them to do a package and then they would come out to our place if they were staying over night. (Owner, historical farm)

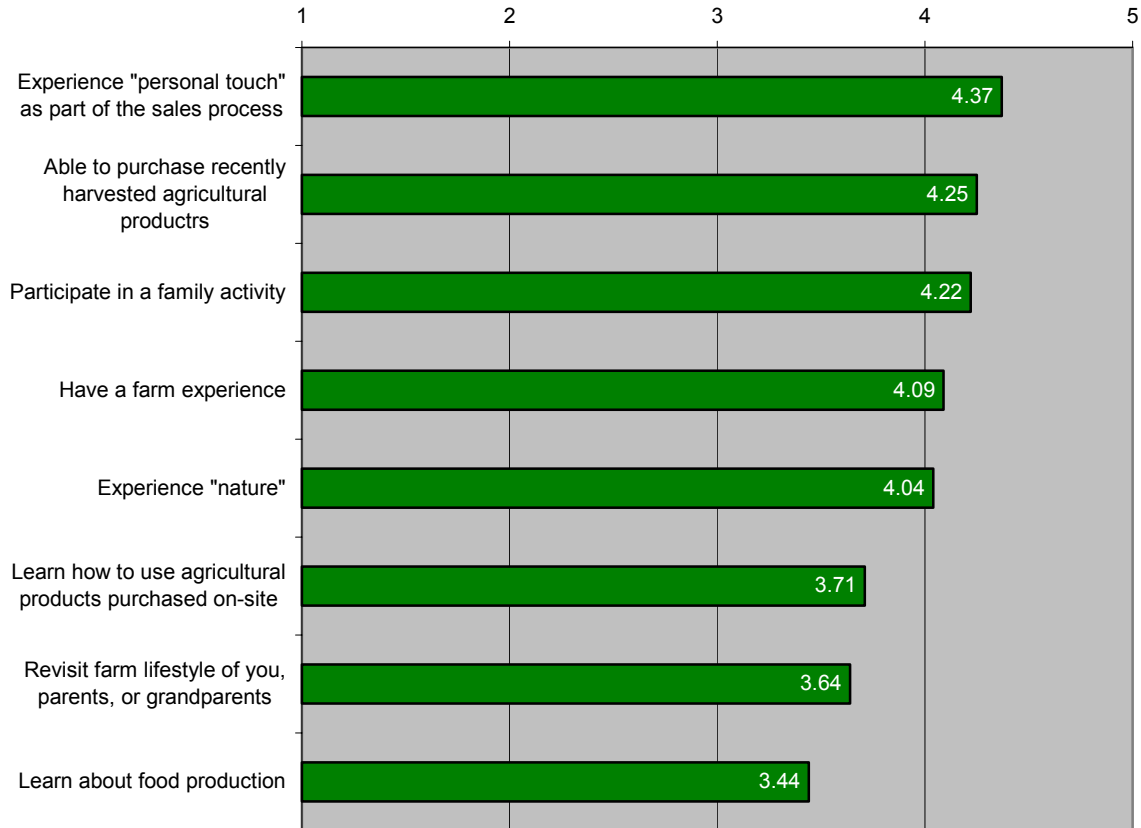
A lot of things that we have to do is called a reciprocal link. I'll post yours, you post mine, and the different thing that we're member of, we'll post their website, they'll do ours. We even have a link to farm credit now. (Owner, fruit farm)

IV. BENEFITS OF AGRITOURISM

A. Benefits of Agritourism to Customers

The agritourism operators felt that their businesses provide a number of benefits to their customers. The top three were: 1) the customers have an opportunity to experience a "personal touch" as part of the sales process, 2) the customers can buy fresh agricultural products, and 3) the customers can participate in a family activity (see Figure 10).

FIGURE 10
Importance of Benefits of Agritourism for Customers
(Rated on a 5-point scale, with 1=insignificant and 5=very important.)



During the focus groups, the agritourism operators repeatedly emphasized the benefits that their businesses bring to the customers who patronize them. Below is a sampling of those comments:

They like the personal contact. Because, they can go to the grocery store now, who's doing a lot better job of merchandising like we used to do in the farm markets, but they don't get the personal contact. And you've got to be visible, and you've got to talk to them, and not be afraid of them, and visit with them. They'd like you to listen to their problems too. (Owner, historical farm)

Yeah, I think people are looking more for the experience than just the product. You know, they want apples. But like everyone's saying, they can go two miles down the road to the grocery store and get apples that are as good or better than what we have. But they don't get the chance to get to the farm and have the experience of getting those

apples. And that holds for pumpkins or baked goods or whatever. (Owner, apple orchard)

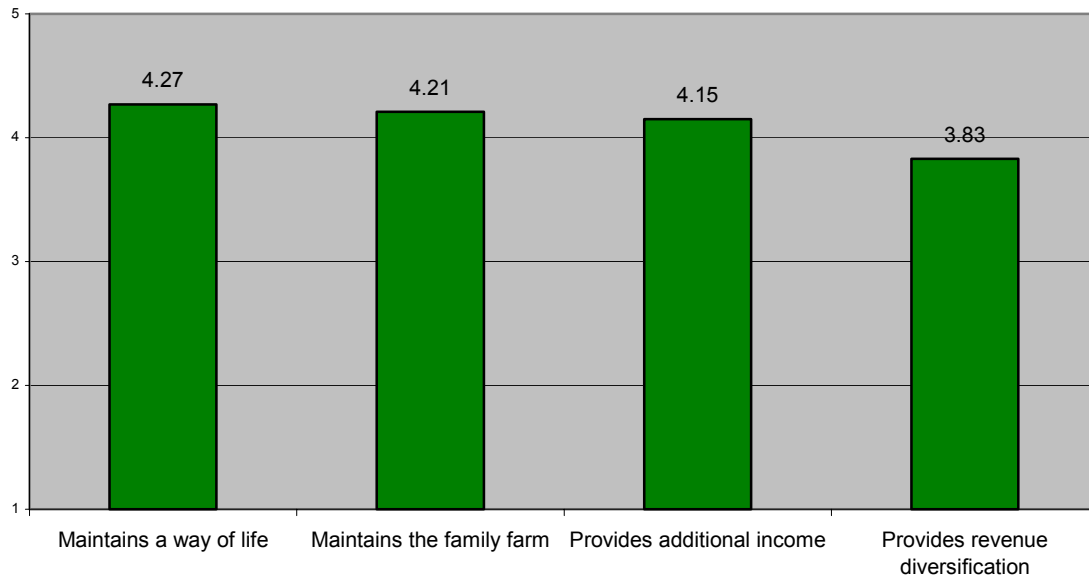
You get emotional once in a while in my situation. A couple of years ago this old gentleman came along. He was 85 if he was a day, and he looked all around...Pretty quick, he came over and put his arm around my shoulder and says, thanks son. I says, well what for? I didn't...you know, you didn't buy anything. And he stood there and wept, and he says I left the farm when I was 18. This is the first time I was ever back to visit a farm, and I want to thank you, and the man stood there and wept. Now, that brings customers in. You see what I mean? (Owner, pumpkin farm)

I found after September 11th—I wasn't sure what to expect that next weekend. There were no sports events, and I didn't know if people were going to just huddle up at home and feel safe. I was surprised that the weather cooperated—that's important for all of us. But our numbers were up. So I think it is a return of some of the basic values that we've had for generations. I know at our farm—just seeing the animals and being able to touch them. (Owner, orchard)

B. Benefits of Agritourism Businesses to Operators

Benefits of agritourism business that operators feel to be “important” or “very important” include 1) that it allows them to maintain a “way of life,” 2) that it allows them to keep the family farm, and 3) that it provides additional income (see Figure 11).

FIGURE 11
Importance of Benefits of Agritourism Businesses
(Rated on a 5-point scale, with 1=insignificant and 5=very important.)



When members of the focus groups discussed the benefits of converting their farms to an agritourism operation, many of them emphasized that it was a question of survival for them. Quite a few explained that they wouldn't be able to retain the family farm, if they hadn't gone into the tourism business:

If (the agritourism operation) wasn't there, I would be gone. I would be in the city, Chicago, wherever, in an office job. I mean the way the commercial ag-industry has gone over the last ten or fifteen years, there's no way I'd be able to stick around. So for me, I mean, it's been huge. It's my whole way of life, and it's supporting me right now... This is a 6th generation farm. It's important to me to stay there, family-wise, and if you look around and you see what's happening to these family farms, I'm one of the very few people under 30 who are left in my area. (Owner, apple orchard)

I'm still on the same four corners that I've been all my life. It has allowed me to have two of my children living next door, even though they're not involved in the farm. It's all part of the rural peace that I love. My father put me on a tractor when I was seven, you know, which was not unheard of at that day..So it has allowed me that. (Owner, farm market)

(Our farm) has been in my family since 1813...Our sales in direct marketing were dropping off, even though the urban population is increasing around us, so about ten years ago, we started into this, with renovating a one-room schoolhouse on our farm and starting with school tours. And we had about 15,000 children who ran through our

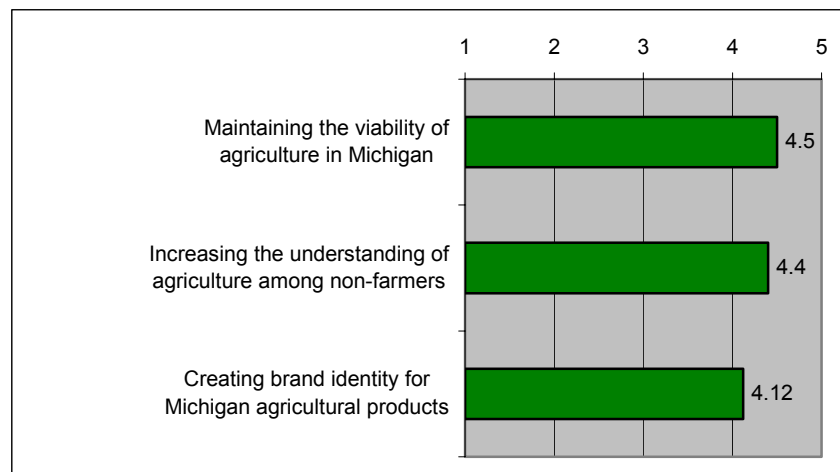
school tours last year. So it was really a matter of survival in our area to get into this tourism side of this business. (Owner, orchard)

C. Benefits of Agritourism to Michigan Agriculture

Agritourism operators feel that three important benefits of agritourism to Michigan agriculture are:

- Maintaining the viability of agriculture in Michigan
- Increasing understanding of agriculture among non-farmers
- Creating brand identity for Michigan agriculture
- Job opportunities

FIGURE 12
Importance of Benefits of Agritourism for Michigan Agriculture
(Rated on a 5-point scale, with 1=insignificant and 5=very important.)



During the focus groups, many of the agritourism operators commented on the importance of their business to Michigan agriculture. In particular, the operators seem to feel that they are in the education business and that it is part of their responsibility to make customers more aware of the challenges and benefits of Michigan farms.

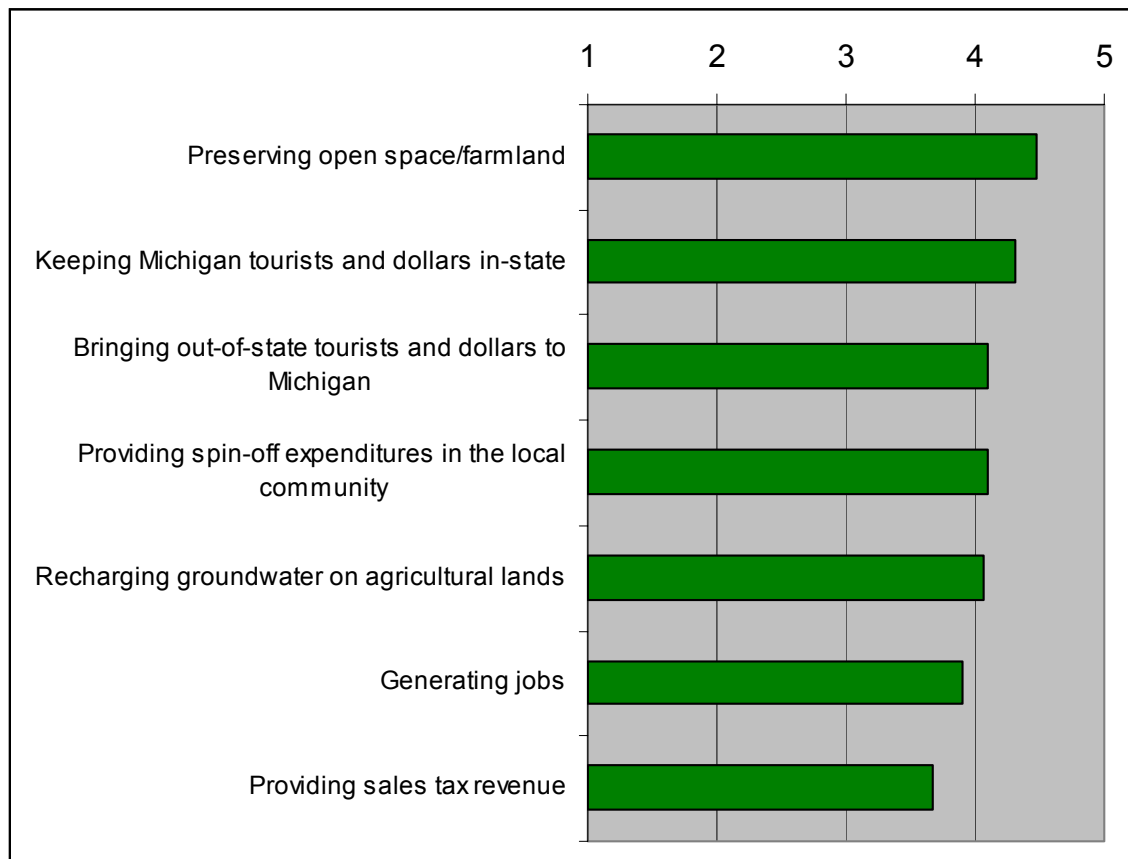
Well, I think with farmers only being 2% of the population, that I think an average Michigan resident doesn't have an opportunity to visit a farm or to even understand where their food comes from. I think, if they had a little bit of understanding where their food comes from, they'd have more confidence and support Michigan agriculture. (Owner, orchard)

I feel that it's very important that these people get out and see what farmers are going through to keep their land and if they keep coming out, we're going to be able to keep our farms. (Owner, pumpkin farm)

D. Benefits of Agritourism for the State of Michigan

Agritourism operators feel that their business bring a number of important benefits to the state of Michigan with the top two being preserving open space and farmland and keeping Michigan tourists and dollars in-state (see Figure 13).

FIGURE 13
Importance of Benefits of Agritourism for the State of Michigan
(Rated on a 5-point scale, with 1=insignificant and 5=very important.)



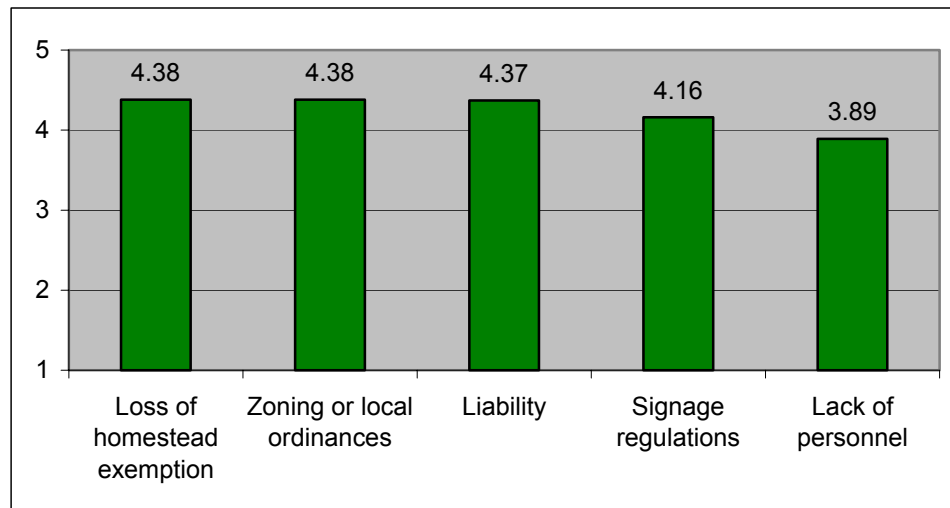
What does our business do for the state? ...First of all, the sales tax. We've educated people. We've brought people into the state. We've promoted the state. We've

*preserved the land. We've given jobs...We've put money back into the community.
(Owner, historical farm)*

V. IMPEDIMENTS TO AGRITOURISM DEVELOPMENT

Agritourism operators feel that there are a number of impediments to agritourism development. Five impediments that were rated on average by operators as “very important” or “important” are: 1) loss of property tax homestead exemption, 2) zoning or local ordinances, 3) liability, and 4) signage regulations (see Figure 14).

FIGURE 14
Importance of Impediments to Agritourism Development
(Rated on a 5-point scale, with 1=insignificant and 5=very important)



During the focus group, quite a few of the agritourism operators discussed problems that they had with state and local regulations. Many of the complaints seemed to relate to the lack of consistency and fairness of the regulations, particularly those related to signage and inspections.

*Some of the pitfalls? Liability insurance...terrible amount of money for a seasonal business. Unemployment—my unemployment bill is skyrocketing, because in order to keep my good employees, because we were seasonal, they had to have some income in the winter time...The cost of the signs, I think, is a little exorbitant. We ended up only putting one sign up and it would have been nice to have a couple of more—but, the cost of it!
(Owner, historical farm)*

Each of the townships all have their own ideas, and, you, know, if you don't have two friends in the township board, then you're really not a good guy and can't have a sign out there. (Owner, orchard)

It's been a big challenge. I mean, we got into one thing on MDOT that cost us \$10,000 in legal fees a few years ago over the berry sign that's about half a mile from here. (Owner, orchard and farm market)

VI. CONCLUSIONS AND RECOMMENDATIONS

Agritourism generates economic and social benefits to agritourism operators, their customers, rural communities, and the state of Michigan. Through on-site sales, value-added production, and services (i.e. school tours, corn mazes, and Halloween activities), agritourism yields the additional income that enables operators to maintain a “way of life” and the family farm. For its customers, agritourism provides a place to obtain fresh produce and experience nature with their families. For rural communities and the state of Michigan, agritourism generates employment and tourism and tax revenues, while helping to maintain open space and the viability of Michigan agriculture. By expanding product offerings, agritourism's sales potential can be further increased while simultaneously providing visitors with greater choice.

It is recommended that the state of Michigan provide further support for agritourism, which integrates Michigan's second and third largest industries, agriculture and tourism. Agritourism operators need assistance in dealing with other governmental agencies on issues such as zoning/local ordinances, loss of property tax homestead exemptions when a commercial operation is developed on the farm, signage, and multi-agency/local regulations. Finally, the state of Michigan should provide further Travel Michigan marketing support which focuses on the link between tourism, agriculture, and nature. A survey for Travel Michigan found that lakes and other water-related resources, scenery, and nature attractions were the most frequently cited "positive impressions" of Michigan's overall image as a tourist destination. Agritourism links with these positive impressions as the diversity and quality of Michigan's agriculture is related to its location vis-à-vis the Great Lakes and as rural, farming landscapes and farm animals provide desired scenery and nature attractions. Michigan agritourism can help draw more visitors

from the state's traditional tourism-generating areas as well as from outside the region. The *New York Times* recently devoted extensive print and web coverage to Michigan's "flavorable vacationland," which offers cherries and other tree fruits, game, and wines and spirits utilizing Michigan fruit. Agritourism thus has the potential of drawing tourists from beyond the adjacent states. Consequently agritourism, which fits Travel Michigan's "Great Lakes, Great Times" and MDA's Select Michigan marketing strategies, should be further emphasized.

Appendix I: Agritourism Project Team Members

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Dr. Ann Veeck, Department of Marketing

Dr. David Lemberg, Department of Geography

Michigan State University Extension

Bob Tritten, Genesee County

Sally Carpenter, St. Joseph County

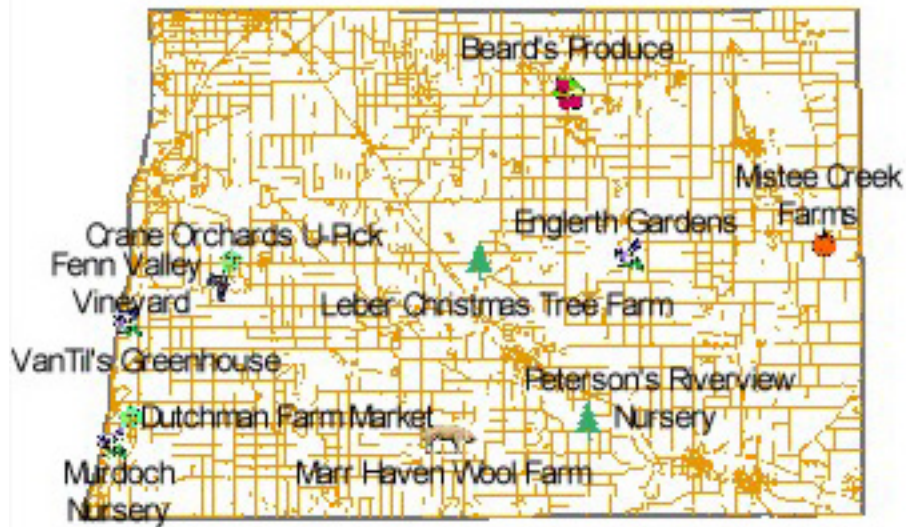
Michigan Apple Committee

Patrick O'Connor



Appendix III: Agritourism GIS County Maps (from Michigan Agritourism GIS Web-based Database)

Allegan County



Legend



Animals



Berries



Christmas



Fall Harvest



Orchard

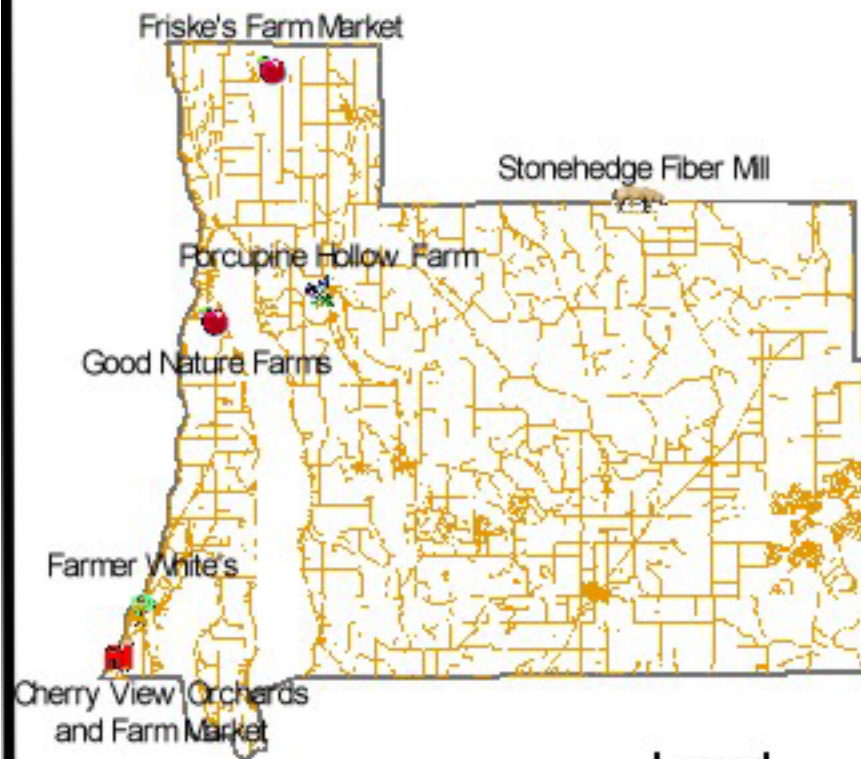


Nursery



Vineyard

Antrim County

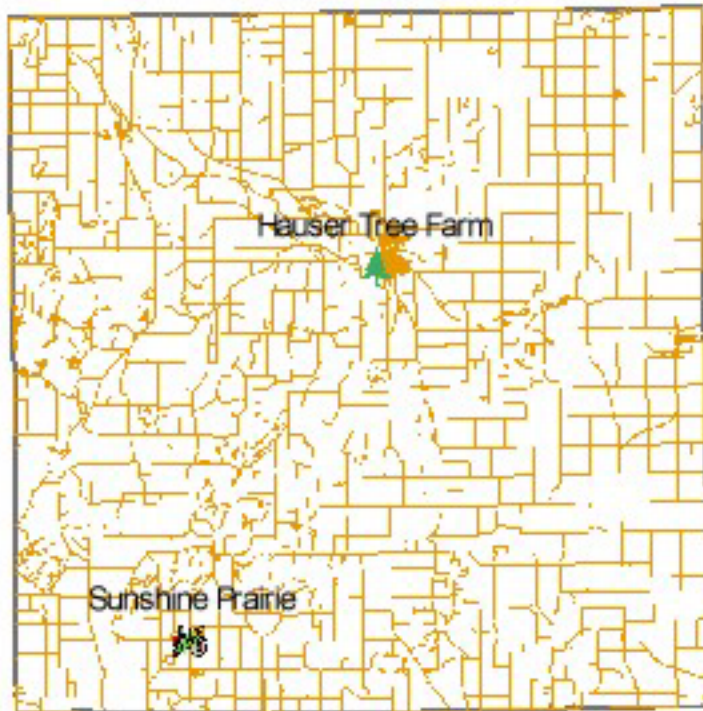


Legend




-  Animals
-  Farm Market
-  Fruit
-  Nursery
-  Orchard



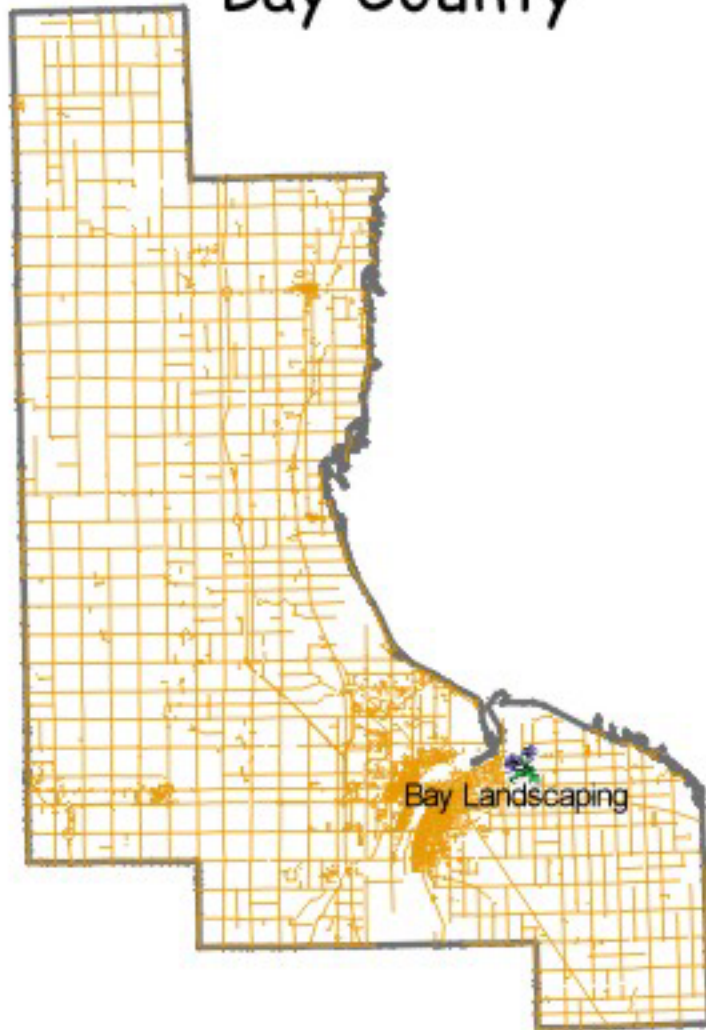
Barry County



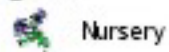
Legend

-  Christmas
-  Farm Experience
-  Produce

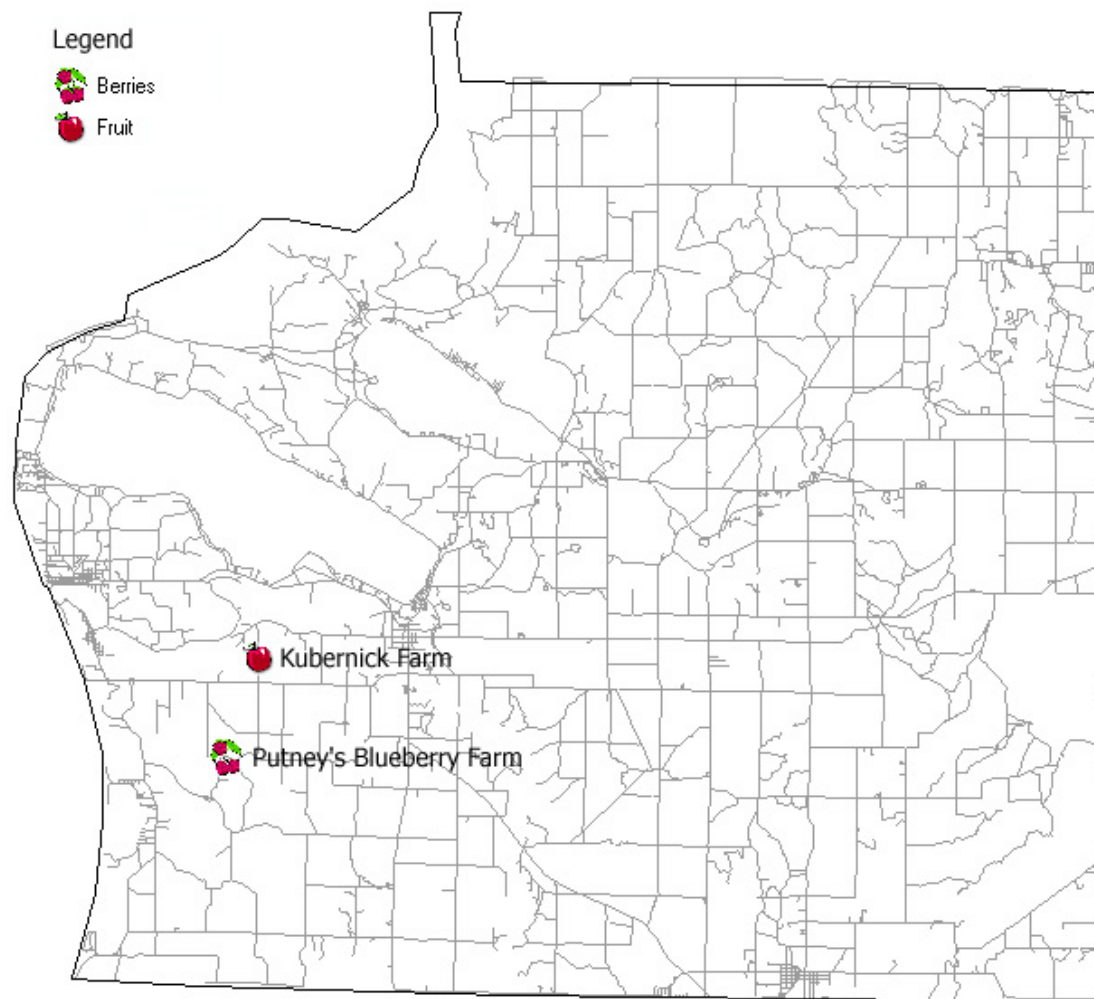
Bay County



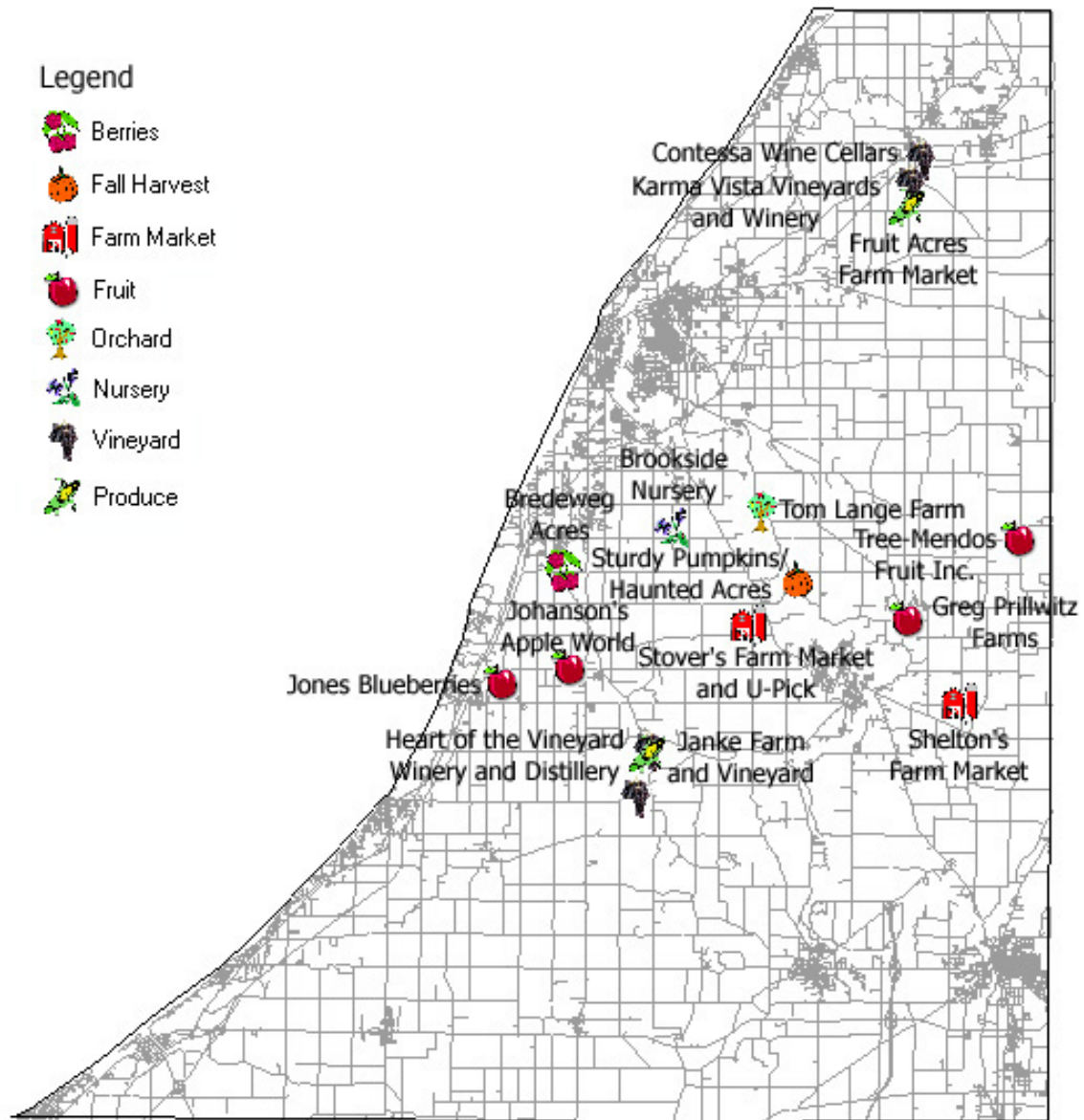
Legend



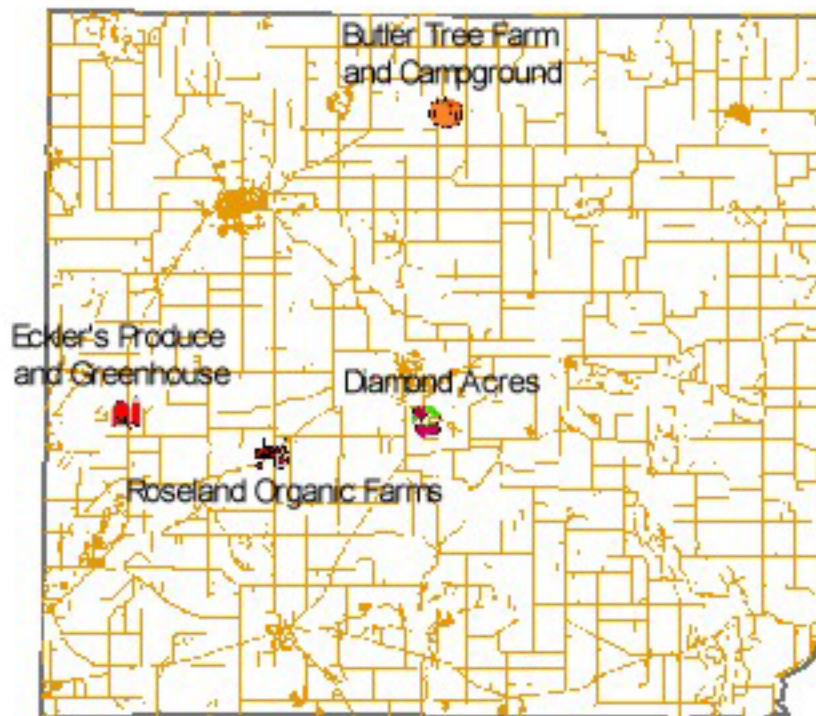
Benzie County



Berrien County



Cass County

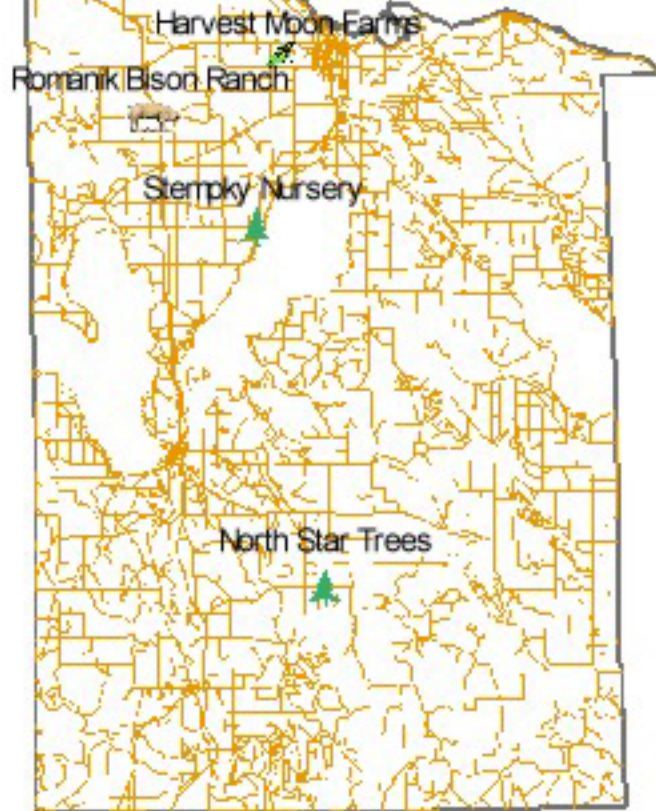


Legend

-  Berries
-  Farm Experience
-  Farm Market
-  Pumpkins



Cheboygan County

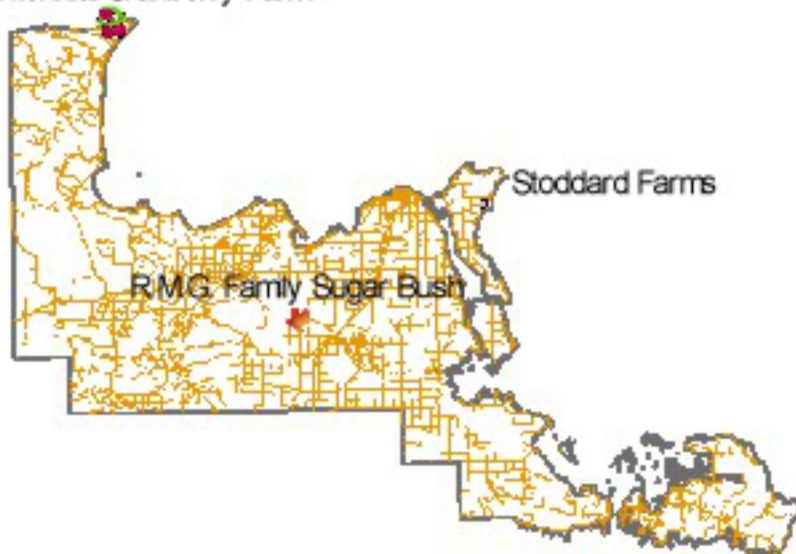


Legend

-  Animals
-  Christmas
-  Produce

Chippewa County

Centennial Cranberry Farm





Stoddard Farms

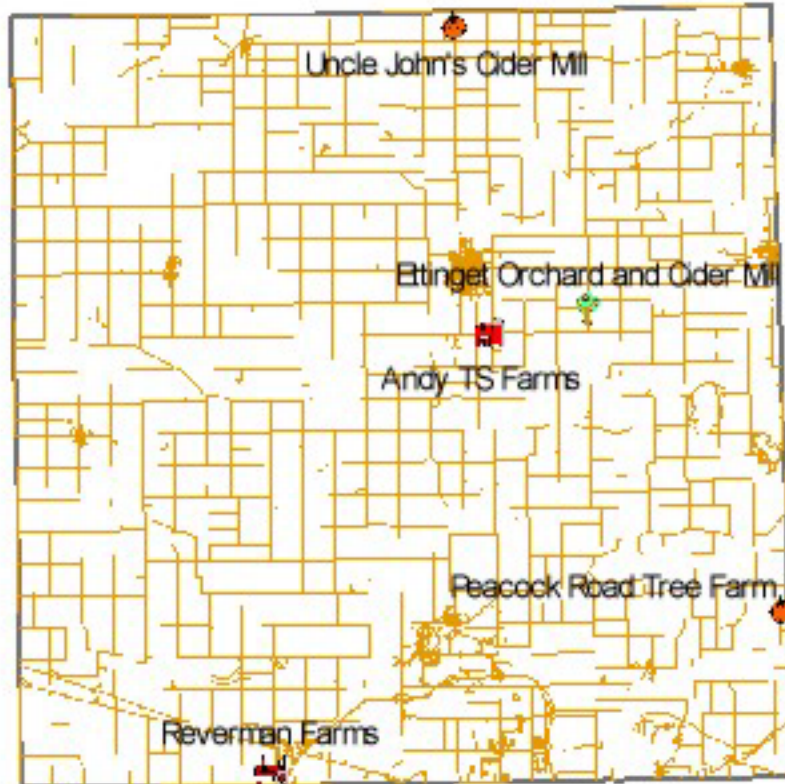
R.M.G. Family Sugar Bush



Legend

- + <all other values>
-  Berries
-  Maple

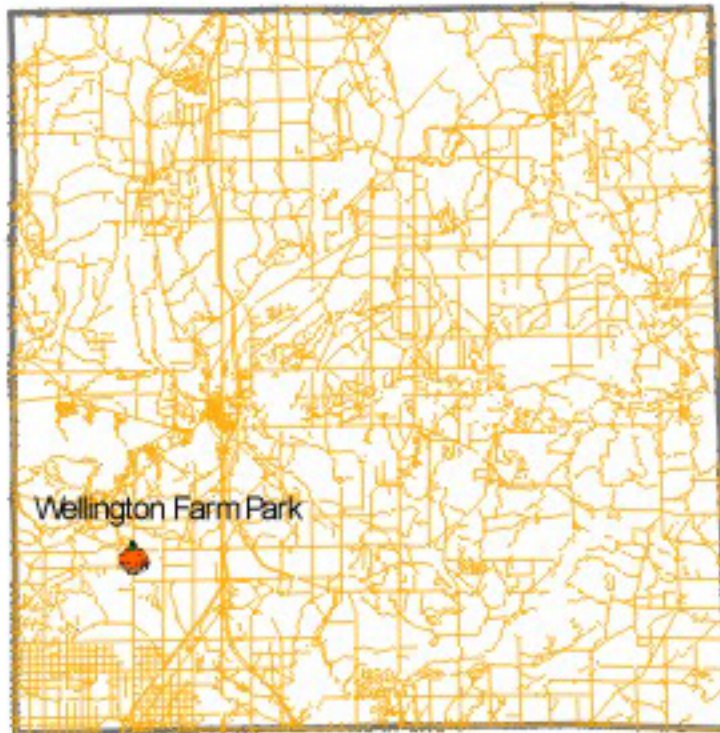
Clinton County



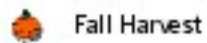
Legend

-  Fall Harvest
-  Farm Experience
-  Farm Market
-  Nursery
-  Orchard

Crawford County

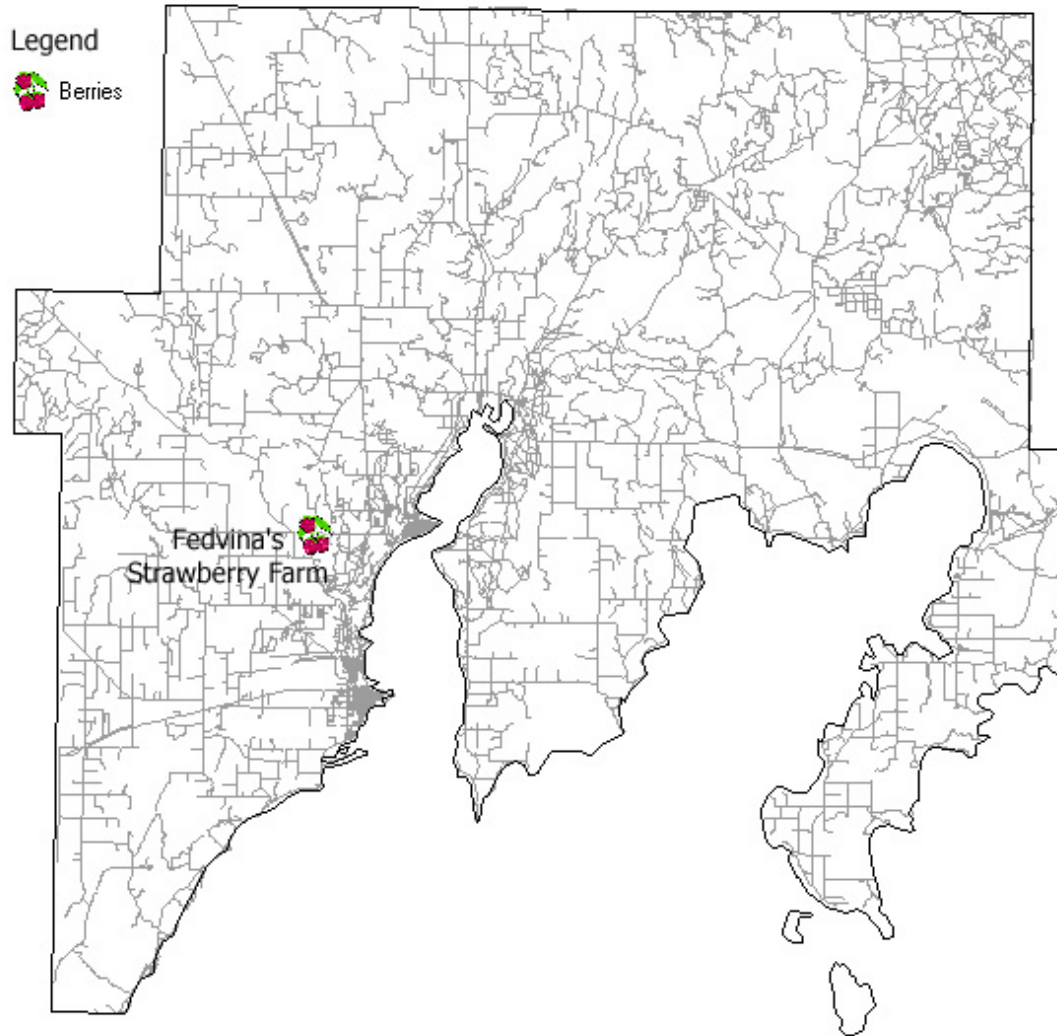


Legend



Fall Harvest

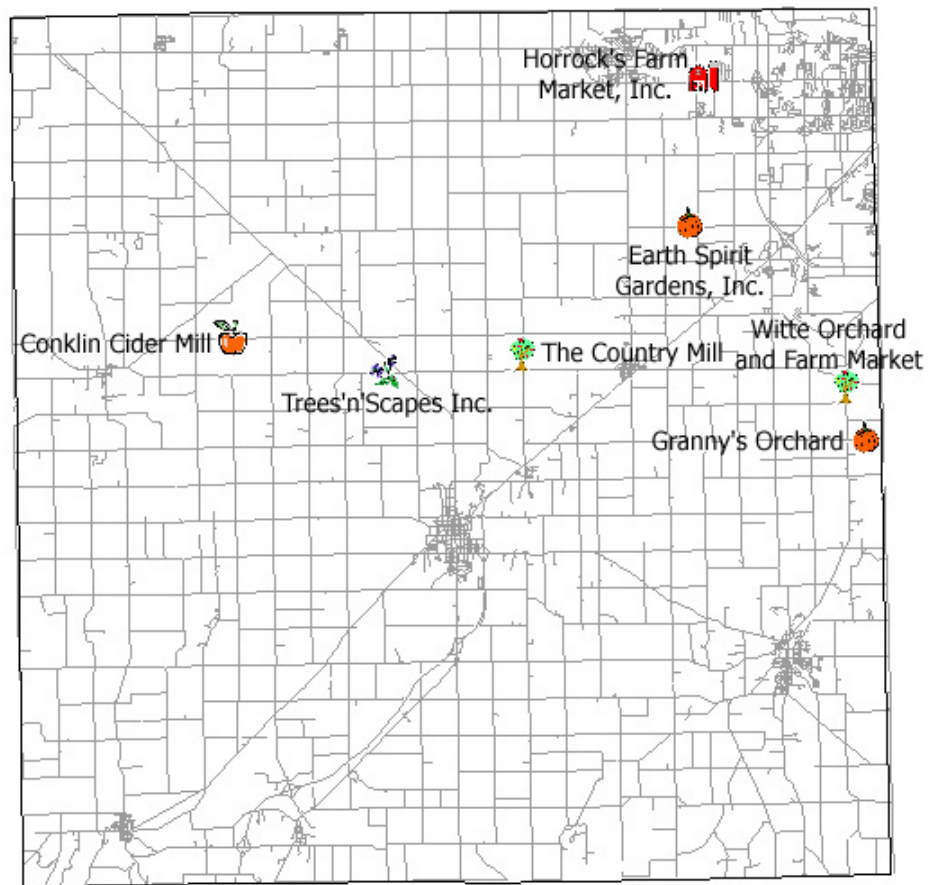
Delta County



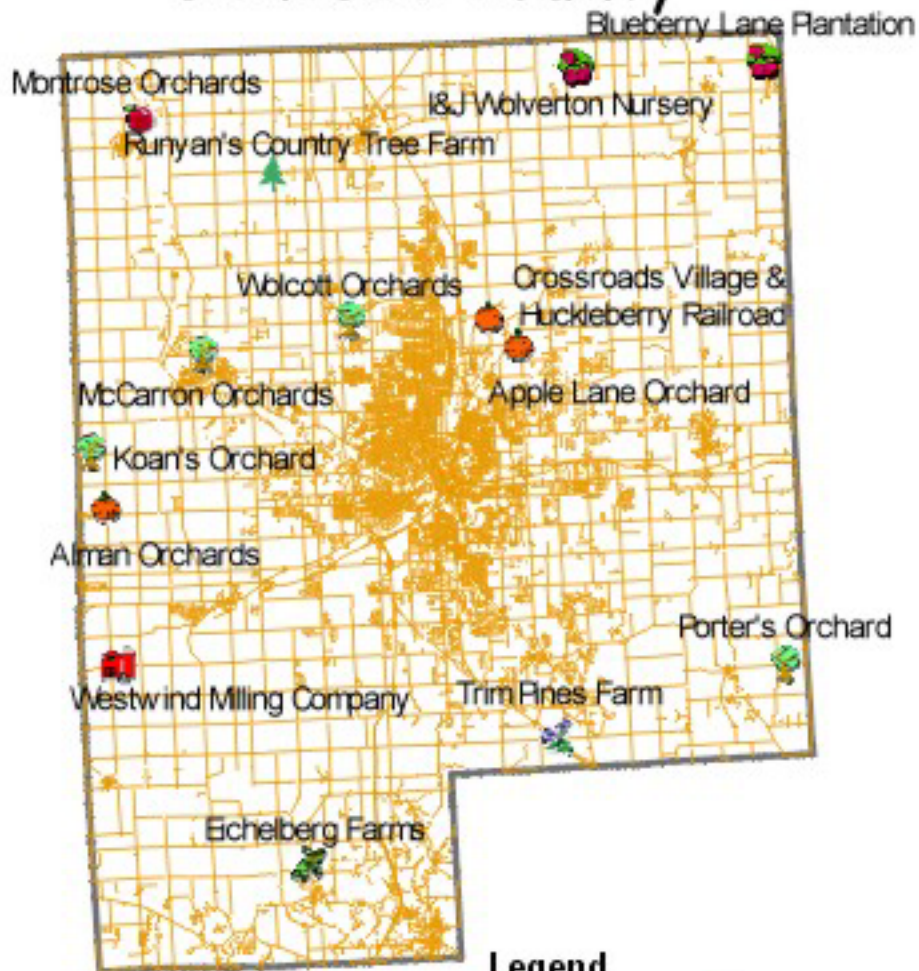
Eaton County

Legend

-  Cider
-  Fall Harvest
-  Farm Market
-  Nursery
-  Orchard



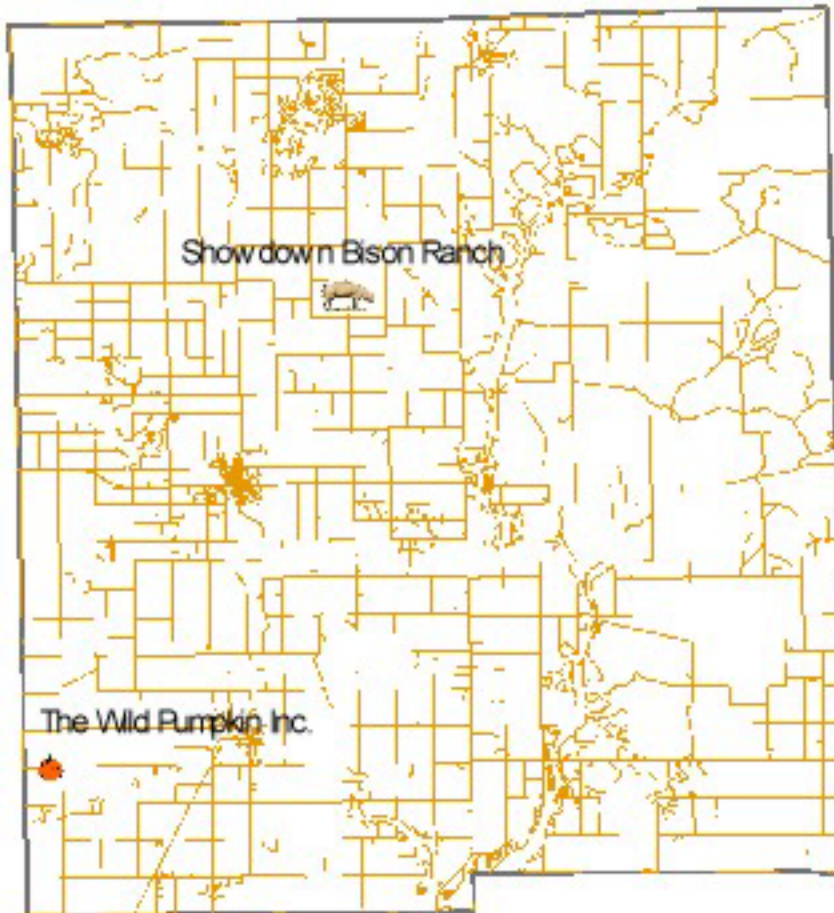
Genesee County



Legend

	Berries		Nursery
	Christmas		Fruit
	Fall Harvest		Orchard
	Farm Market		Produce

Gladwin County



Legend

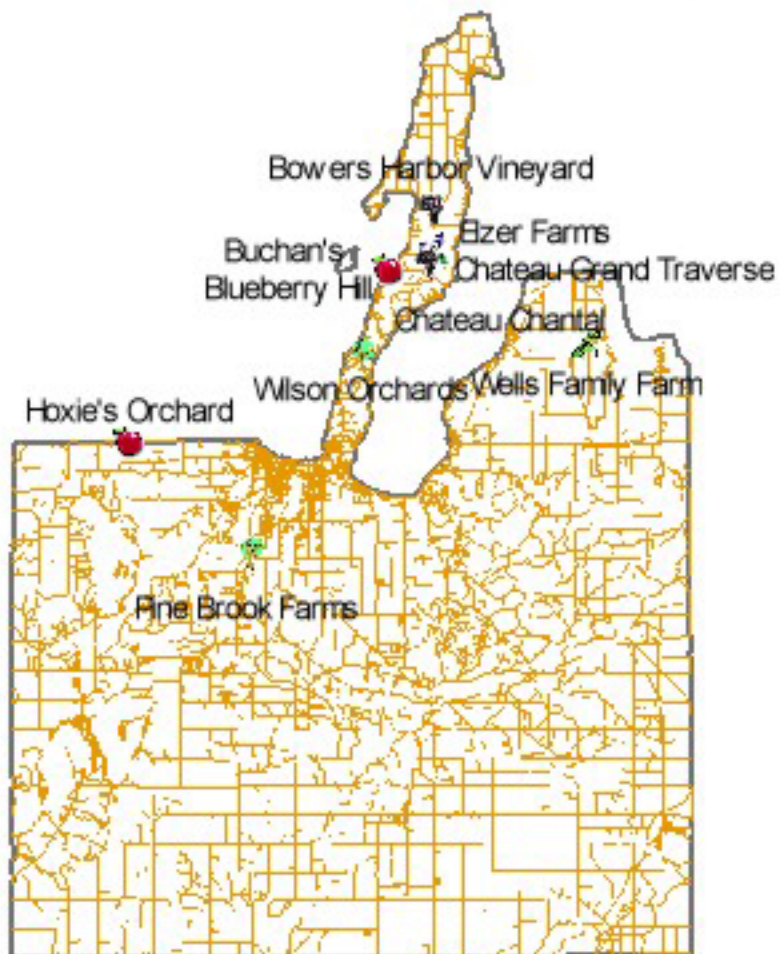


Animals



Fall Harvest

Grand Traverse County



Legend



Fruit



Nursery



Orchard

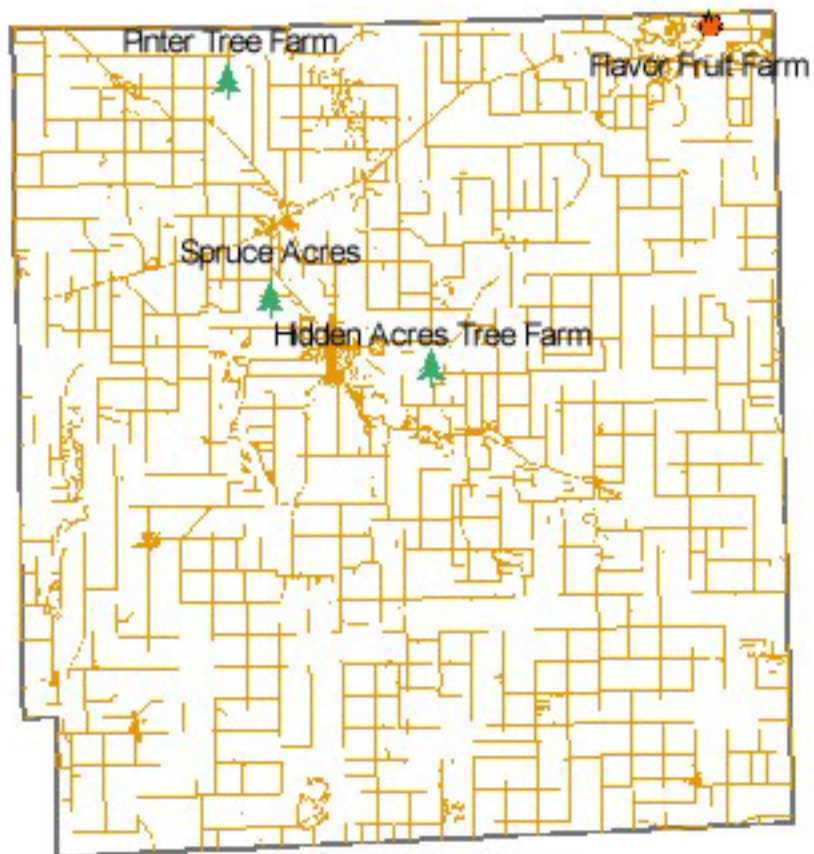


Produce



Vineyard

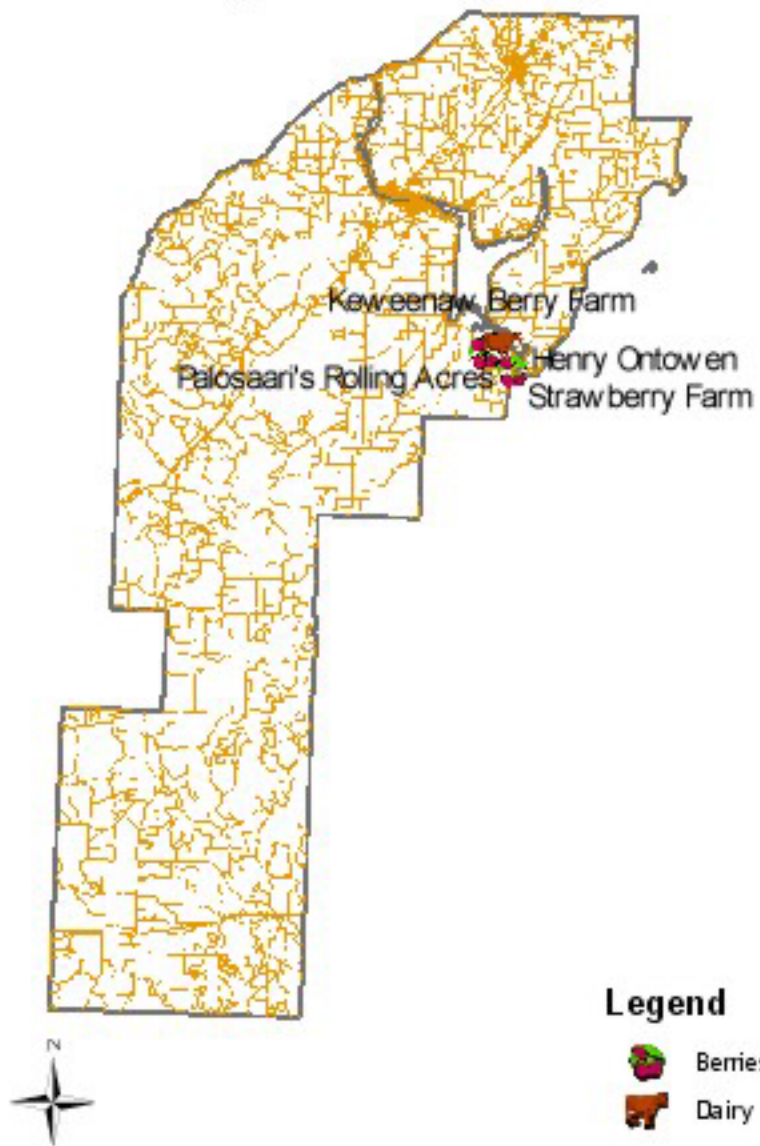
Hillsdale County



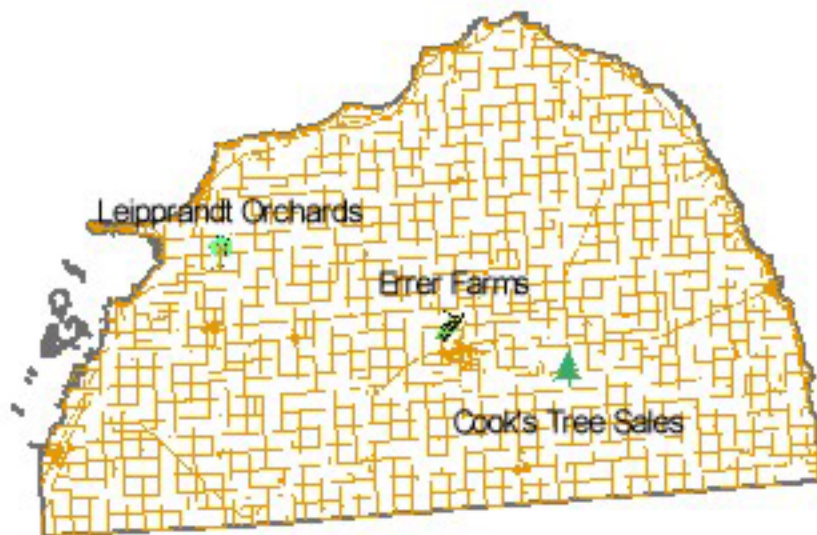
Legend

-  Christmas
-  Fall Harvest

Houghton County



Huron County



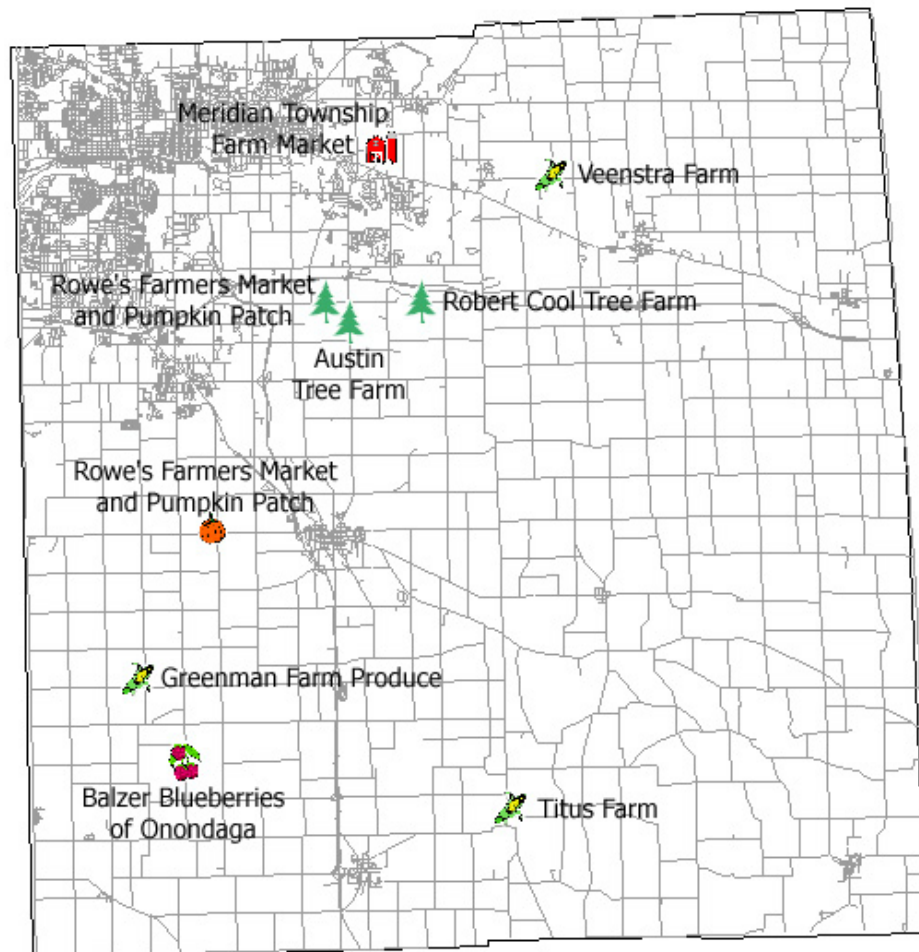
Legend

-  Christmas
-  Orchard
-  Produce

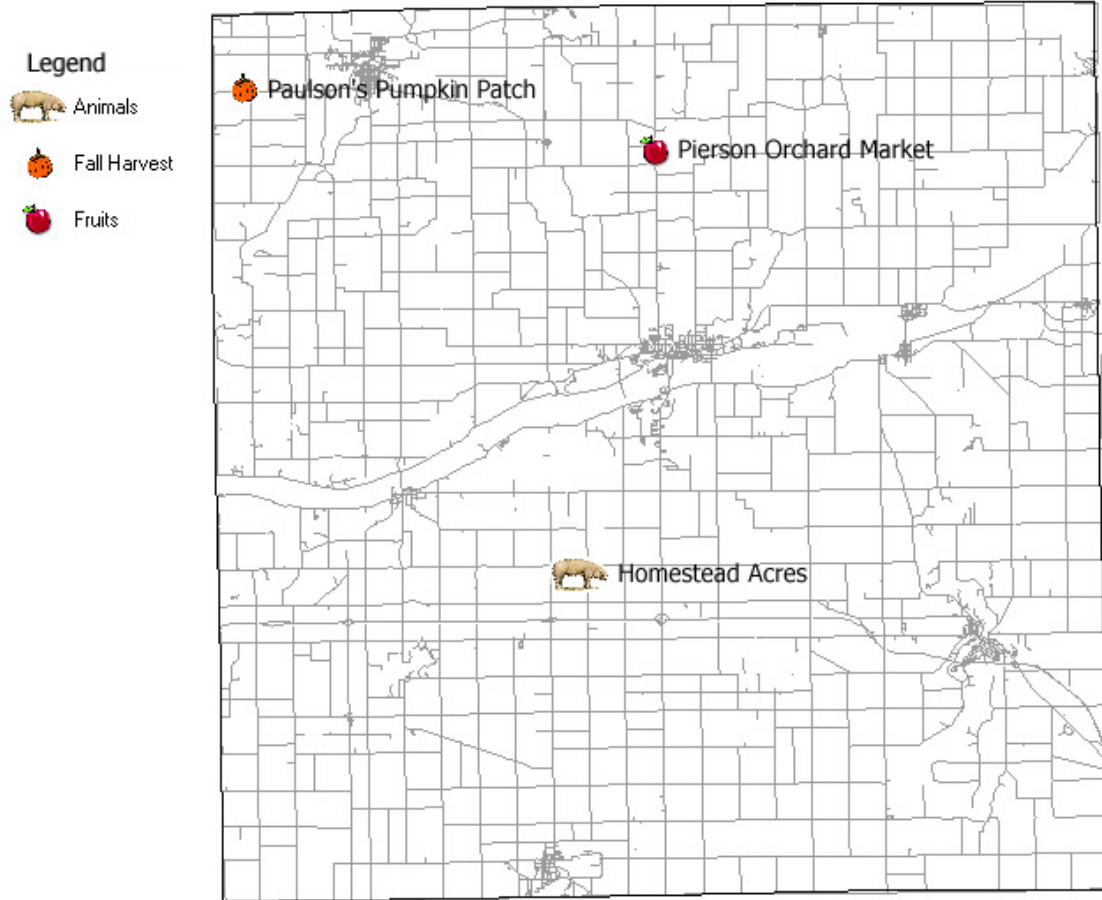
Ingham County

Legend

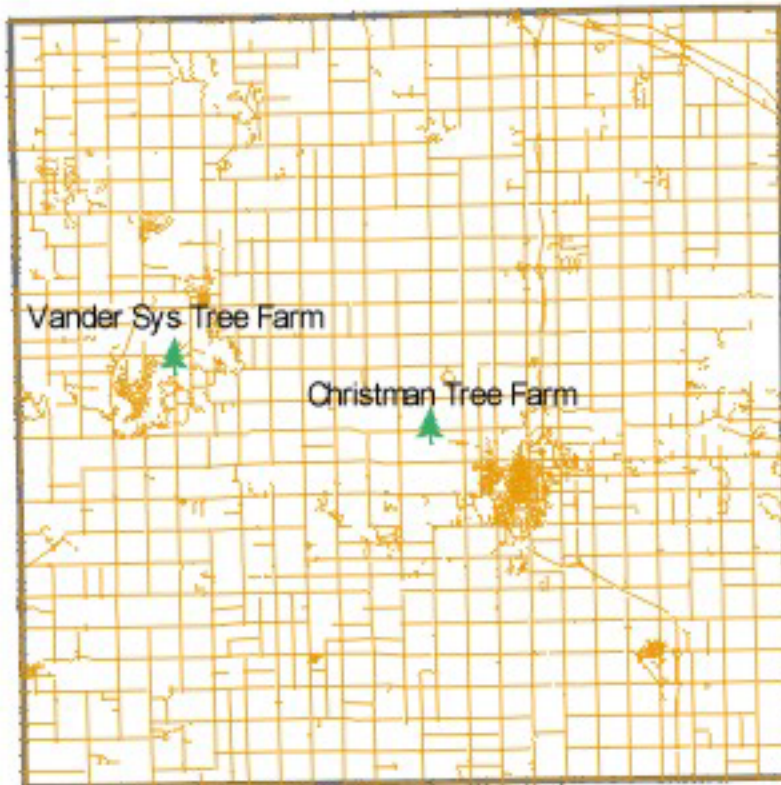
-  Berries
-  Christmas
-  Fall Harvest
-  Farm Market
-  Produce




Ionia County



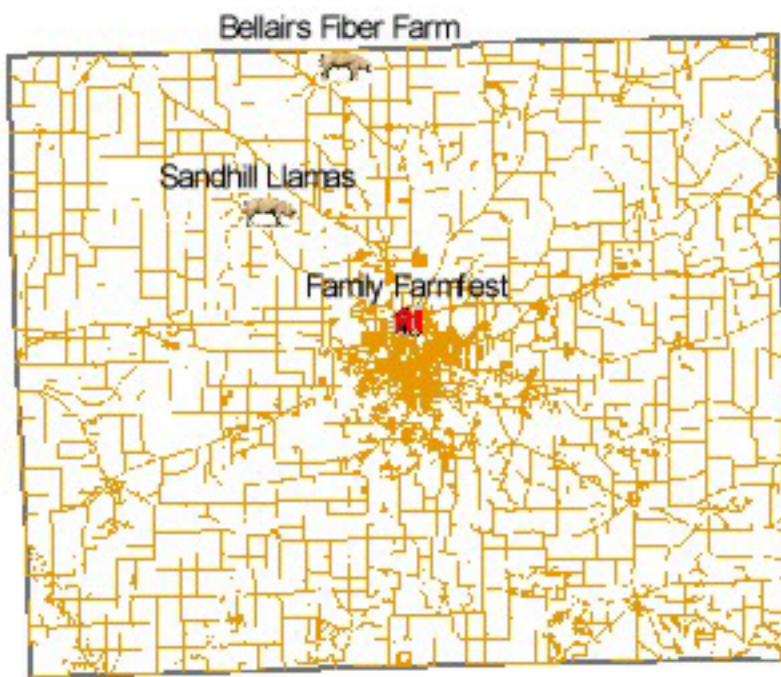
Isabella County



Legend

 Christmas

Jackson County



Legend

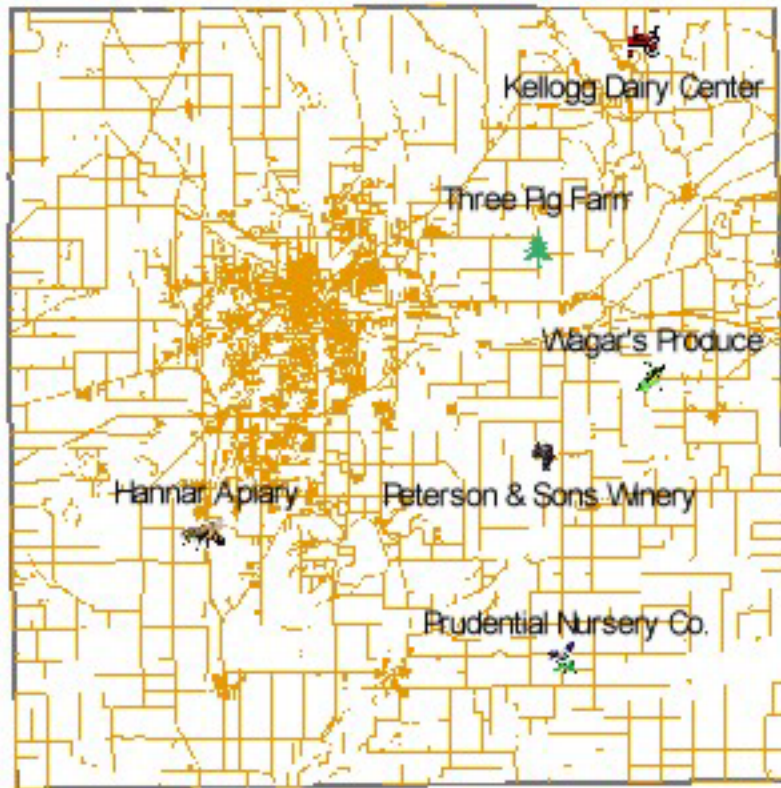


Animals



Farm Market

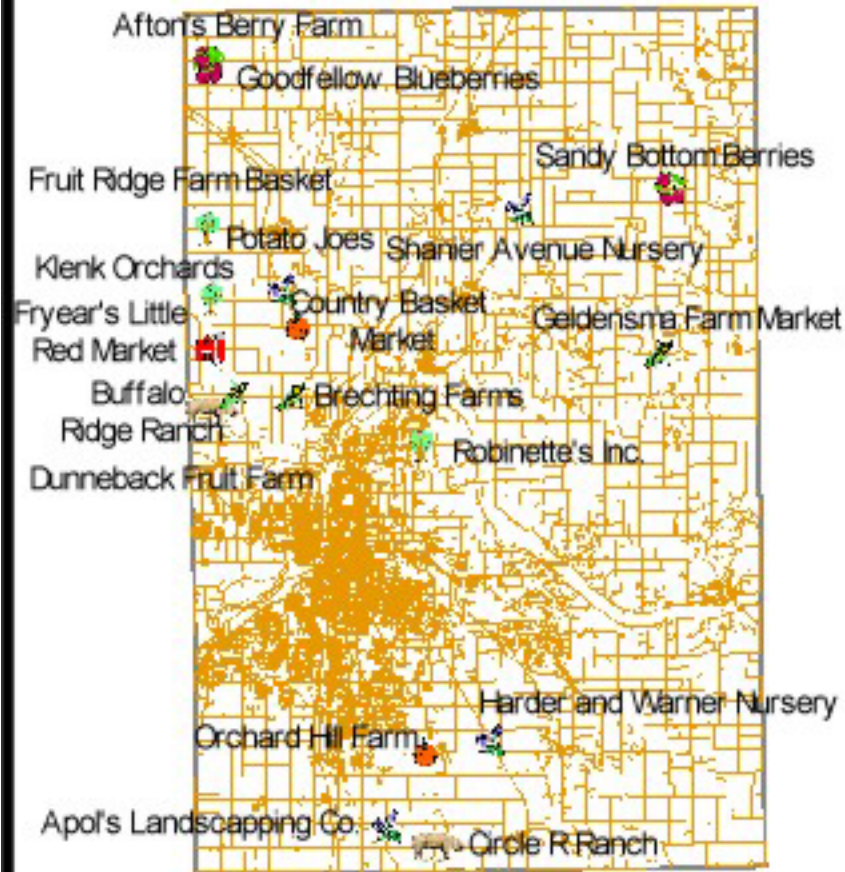
Kalamazoo County



Legend

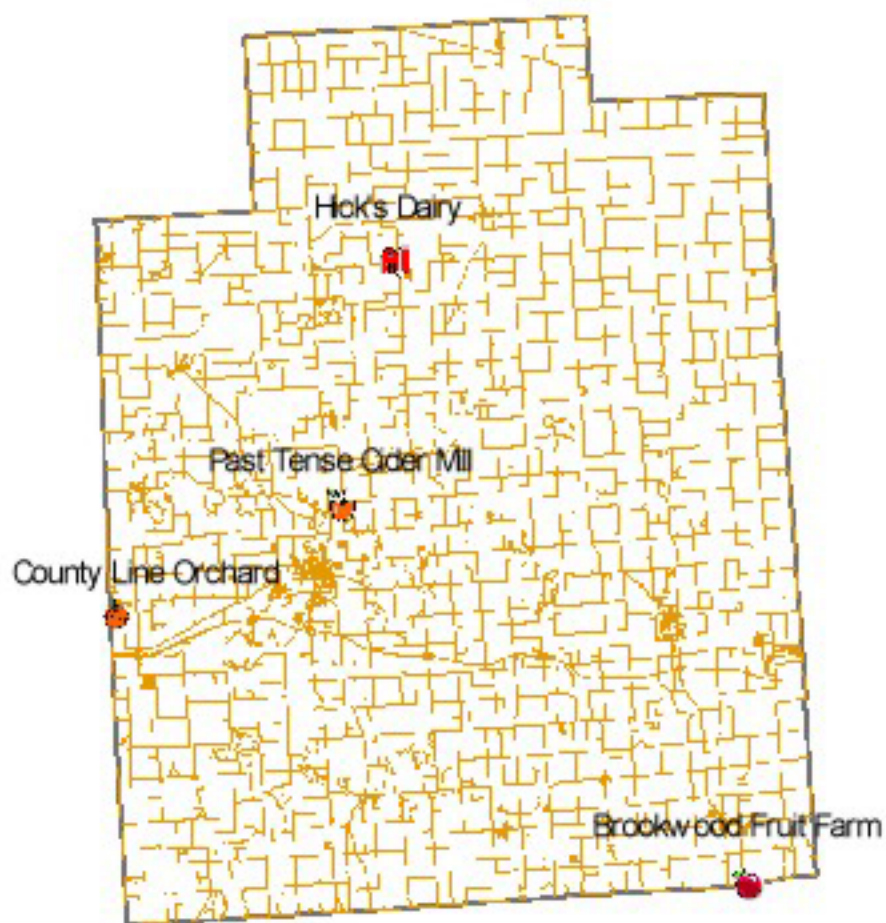
	Christmas		Honey
	Farm Experience		Nursery
	Vineyard		Produce

Kent County



Legend			
	Berries		Nursery
	Fall Harvest		Produce
	Farm Market		Orchard
	Animals		

Lapeer County



Legend



Cider



Fall Harvest

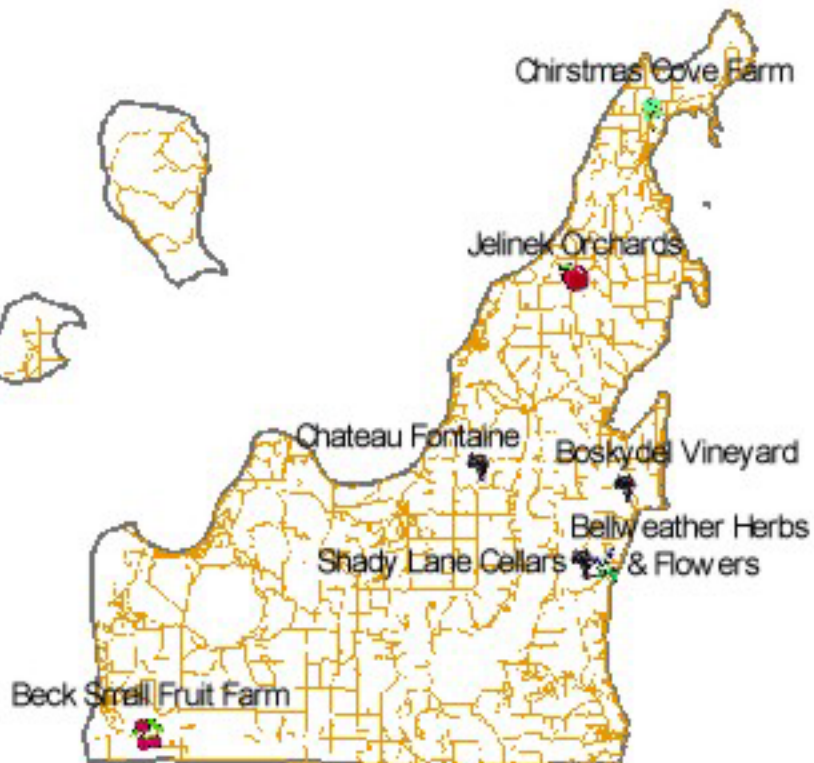


Farm Market



Fruit

Leelanau County




Legend

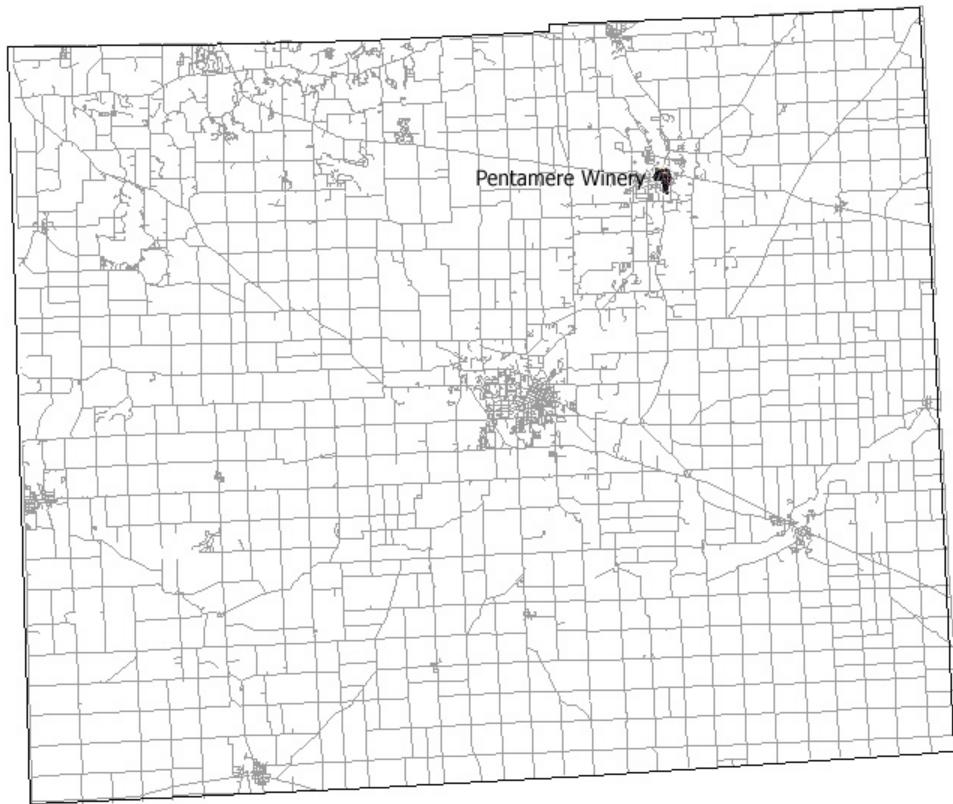
	Berries		Fruit
	Vineyard		Nursery
	Farm Market		Orchard



Lenawee County



Legend

 Vineyard



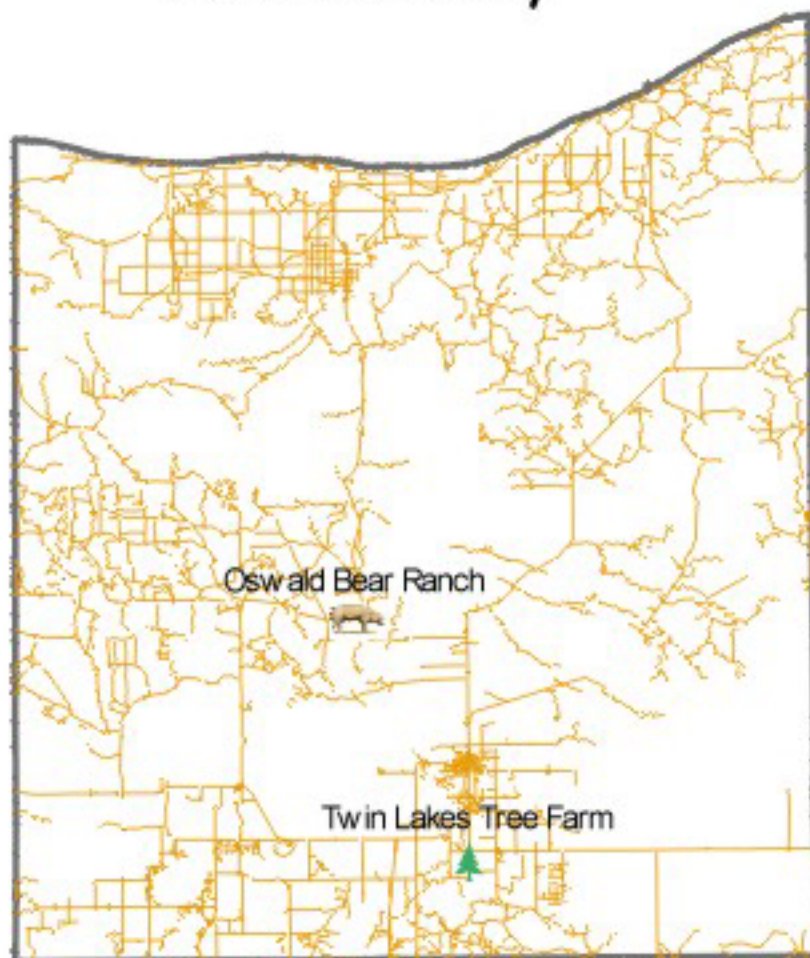
Livingston County

Legend

-  Farm Market
-  Nursery



Luce County



Legend



Animals





Christmas

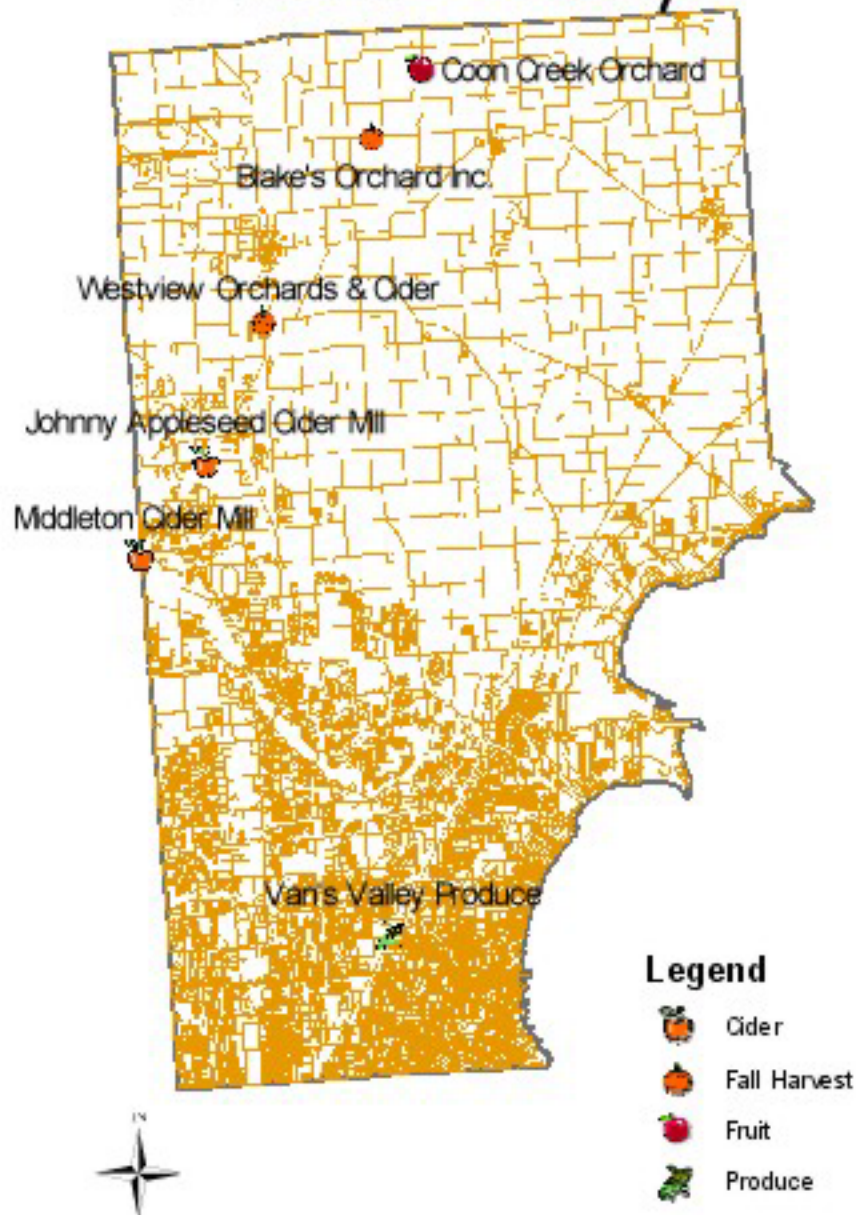
Mackinac County



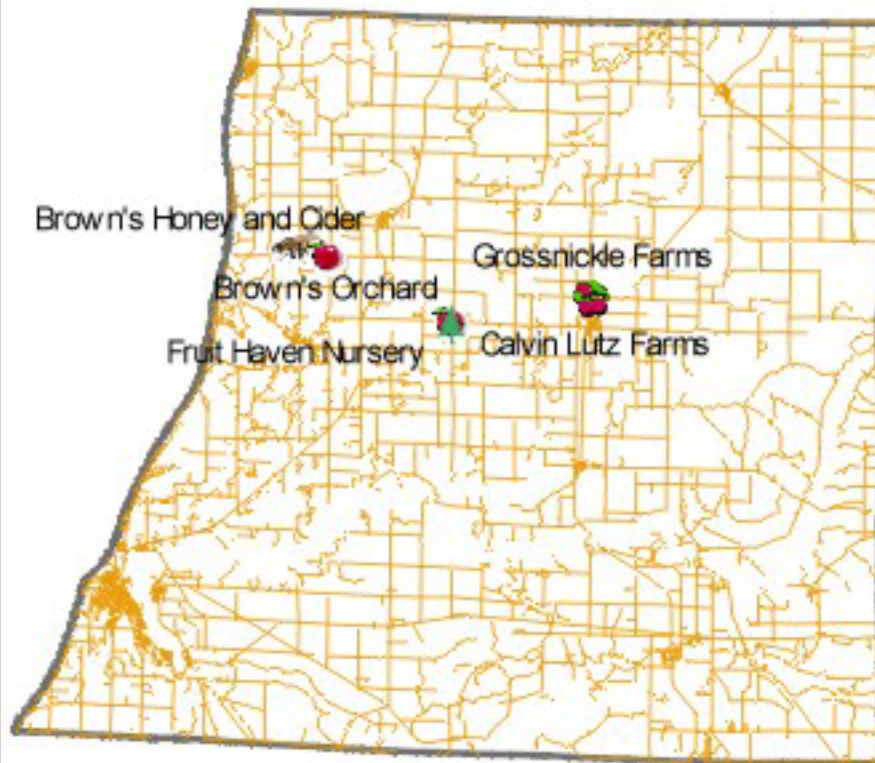
Legend

-  Animals
-  Farm Market





Macomb County



Manistee County

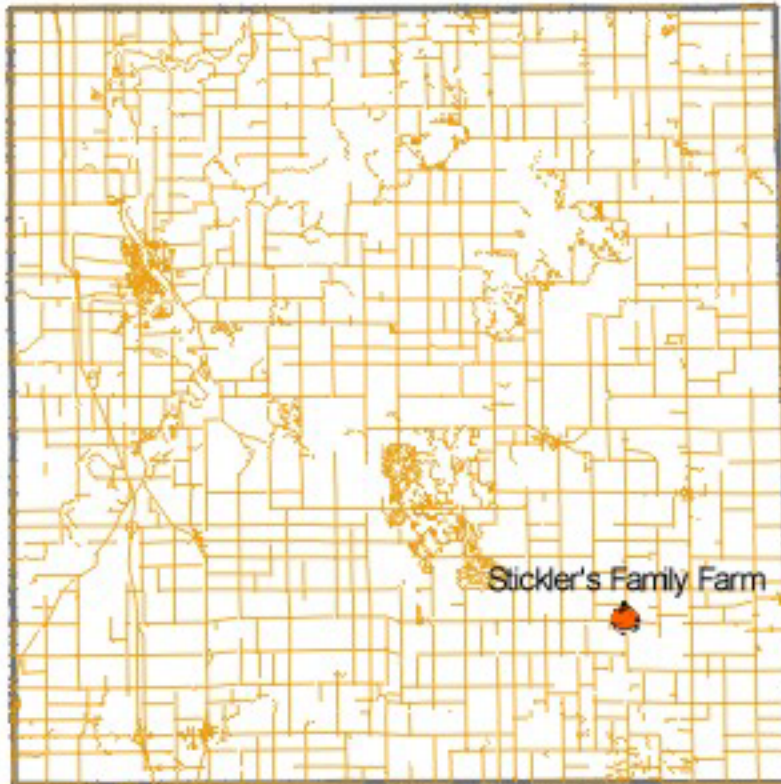


Legend


-  Berries
-  Christmas
-  Fruit
-  Honey



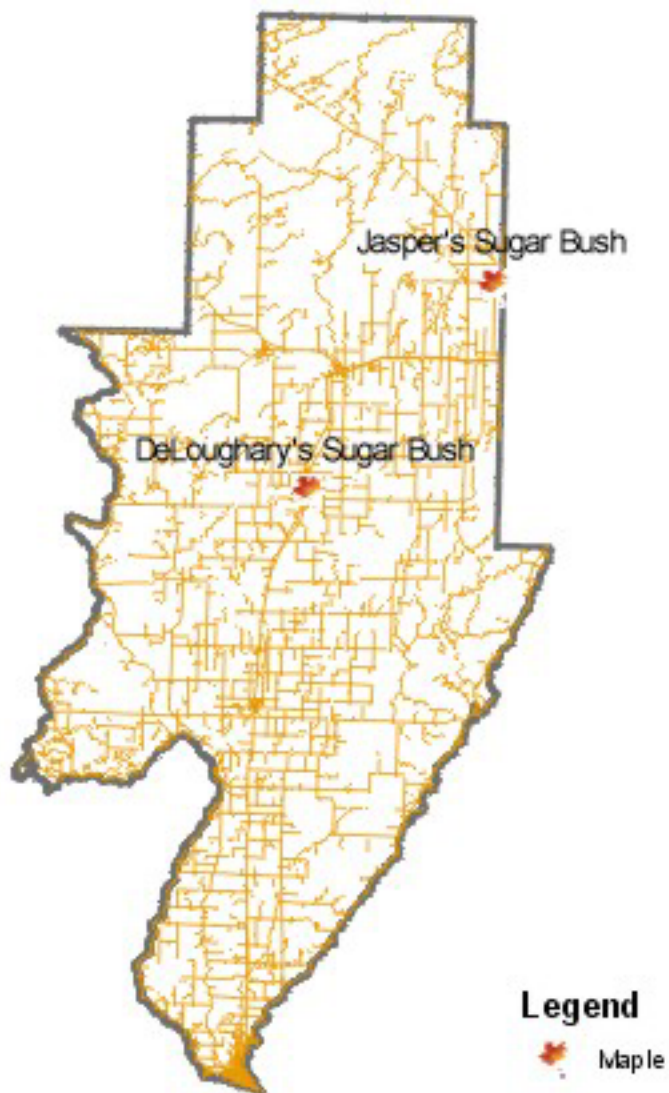
Mecosta County



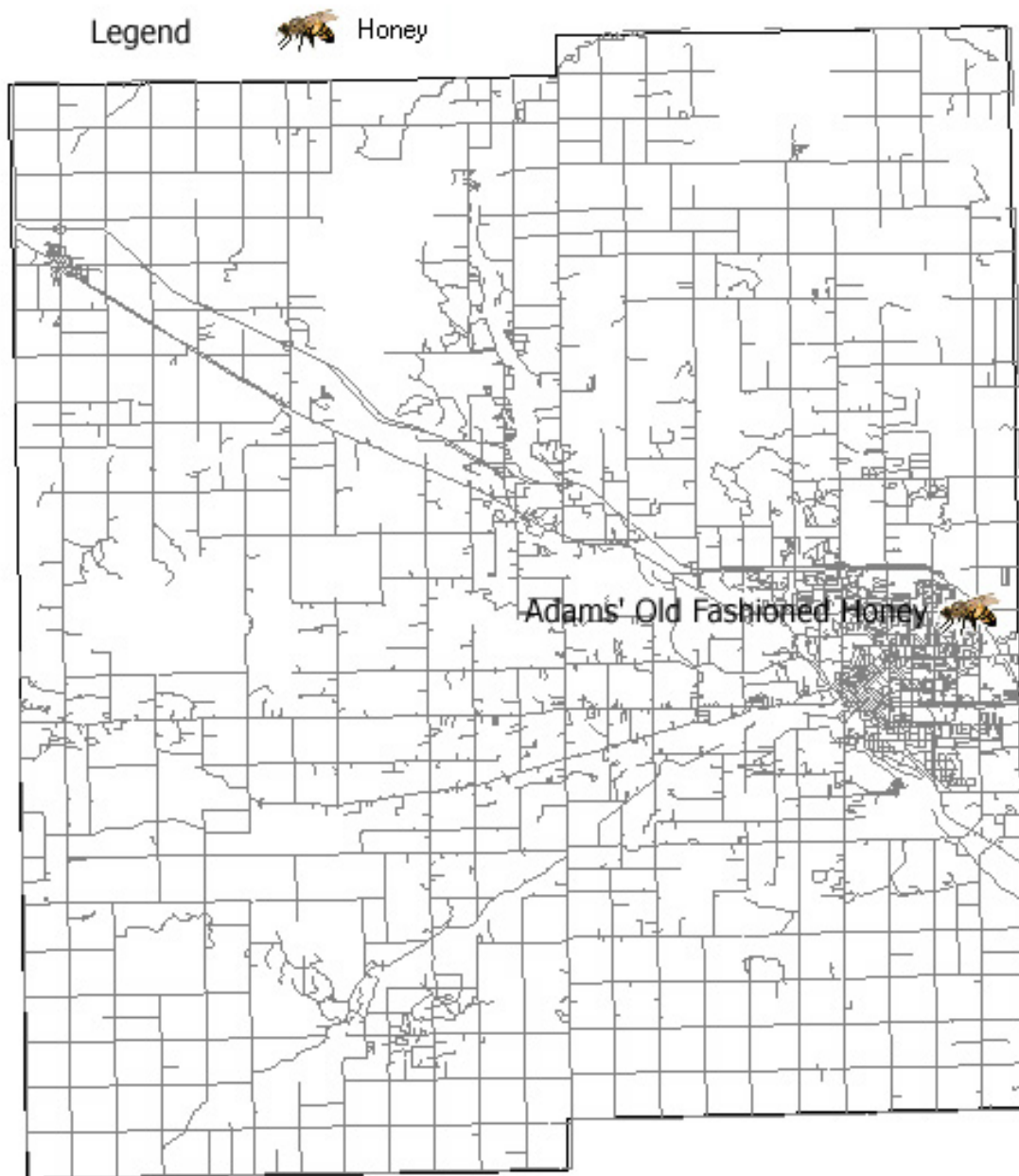
Legend

 Fall Harvest

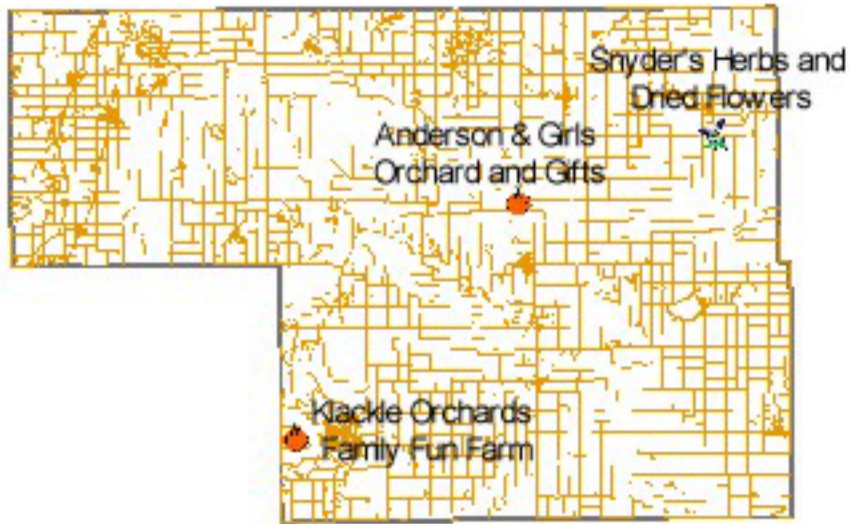
Menominee County





Midland County



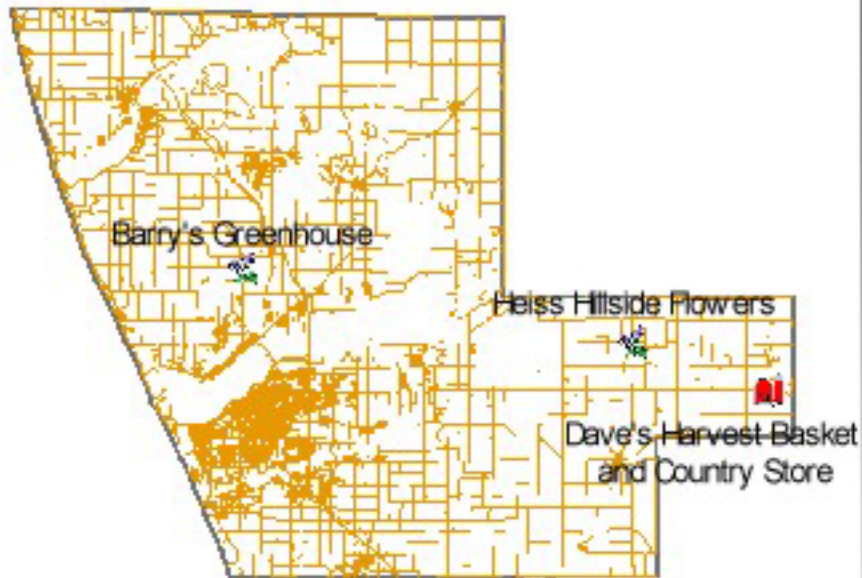
Montcalm County





Legend

-  Fall Harvest
-  Nursery

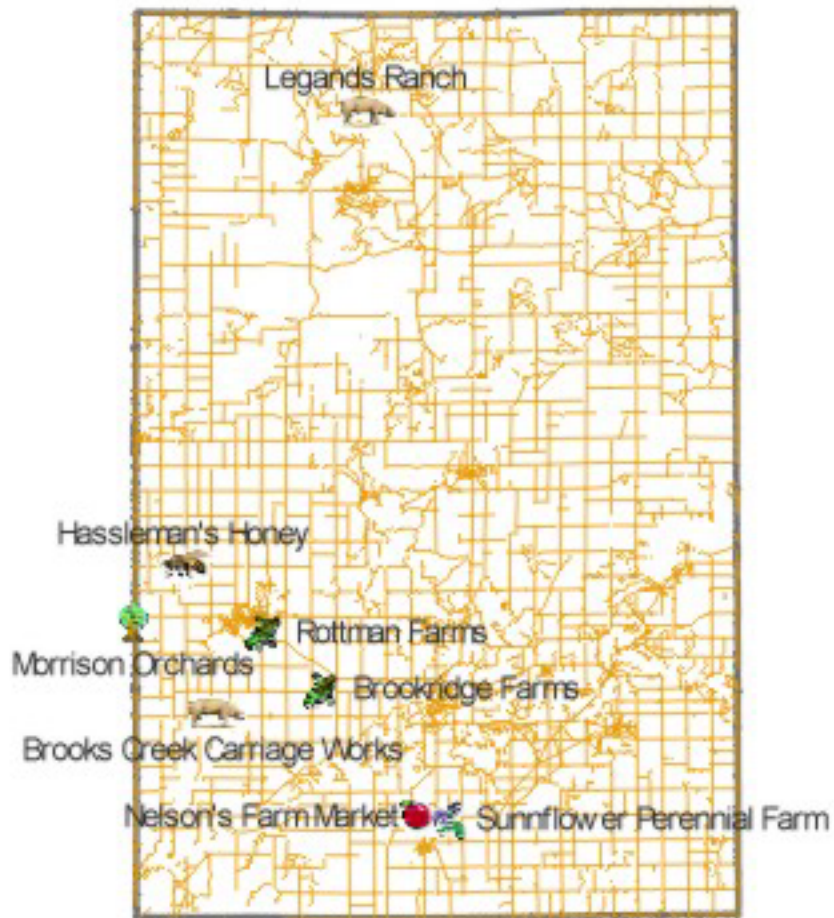
Muskegon County



Legend

-  Farm Market
-  Nursery

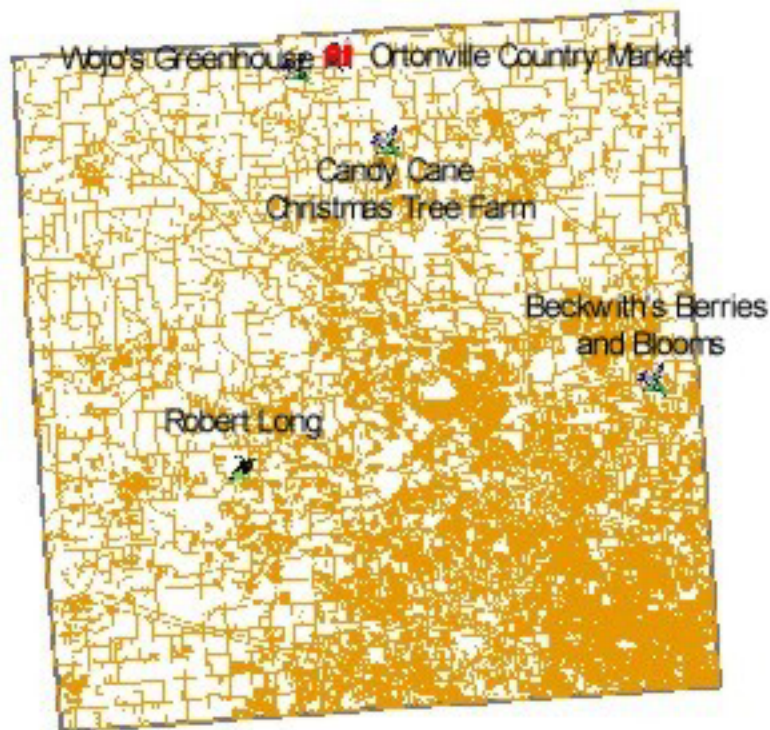
Newaygo County



Legend

	Honey		Nursery
	Fruit		Orchard
	Animals		Produce

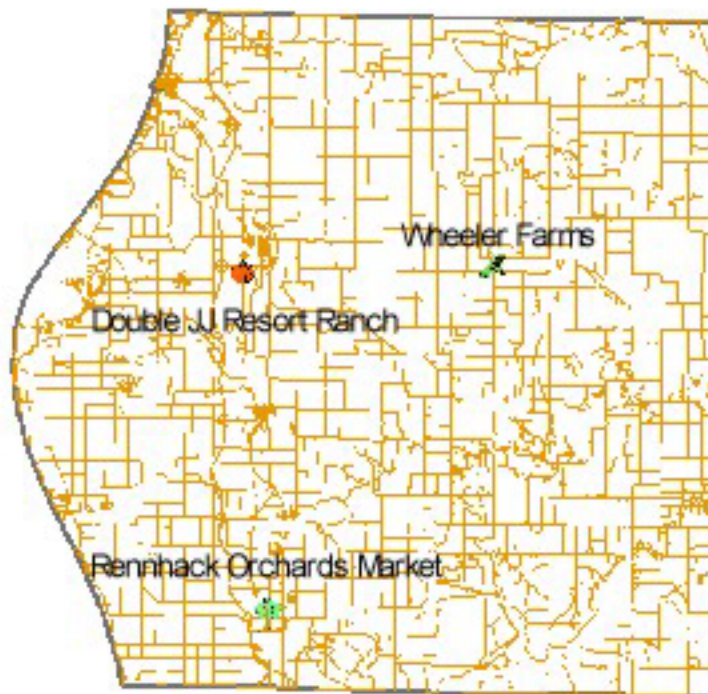
Oakland County



Legend

-  Farm Experience
-  Farm Market
-  Nursery
-  Produce

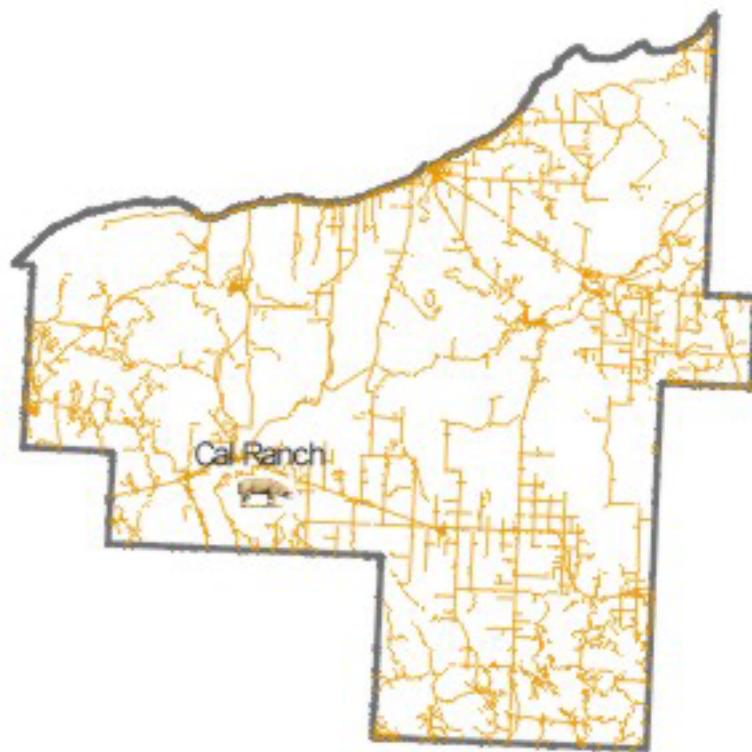
Oceana County



Legend

-  Fall Harvest
-  Orchard
-  Produce

Ontanogan County



Legend

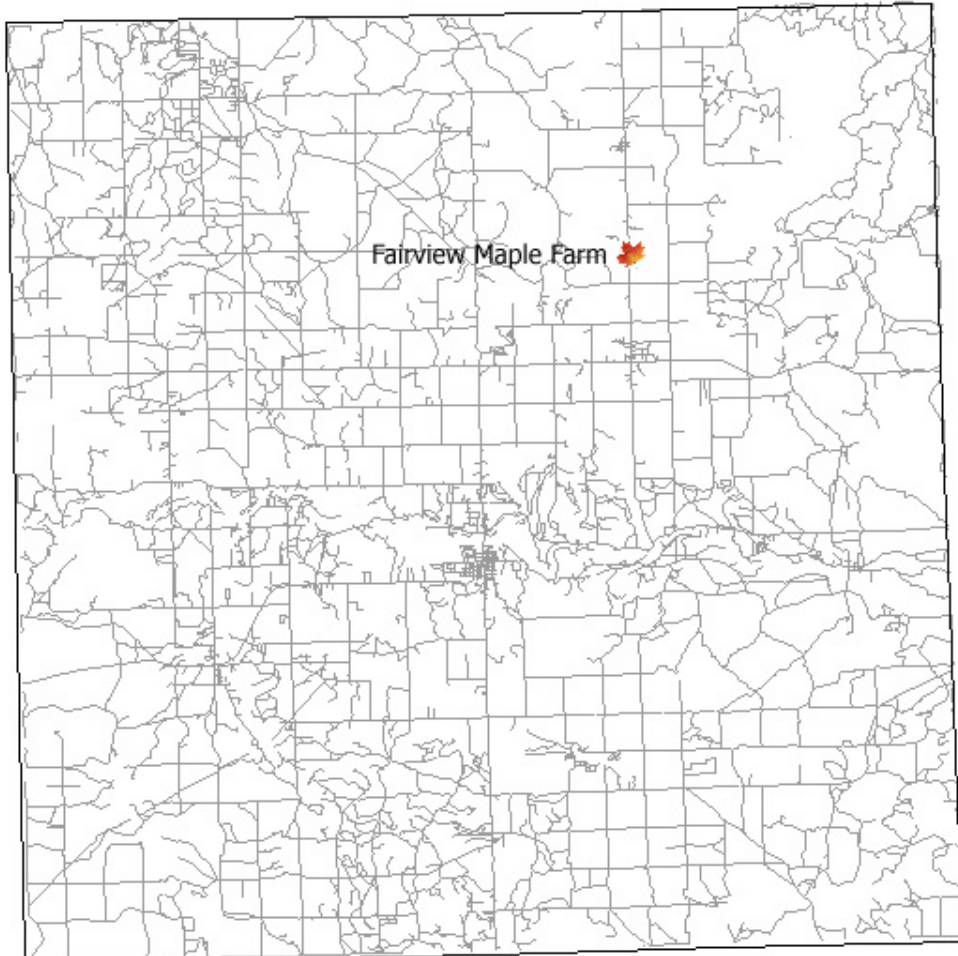


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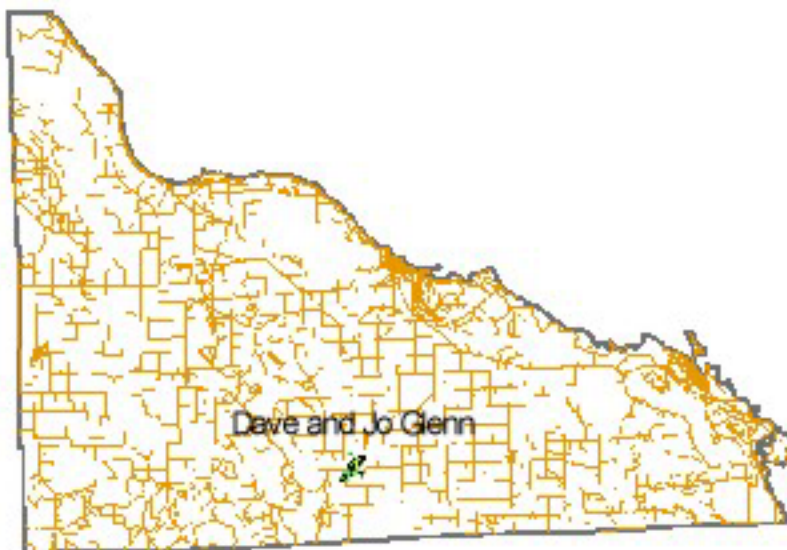
Oscoda County

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 Maple



Presque Isle County

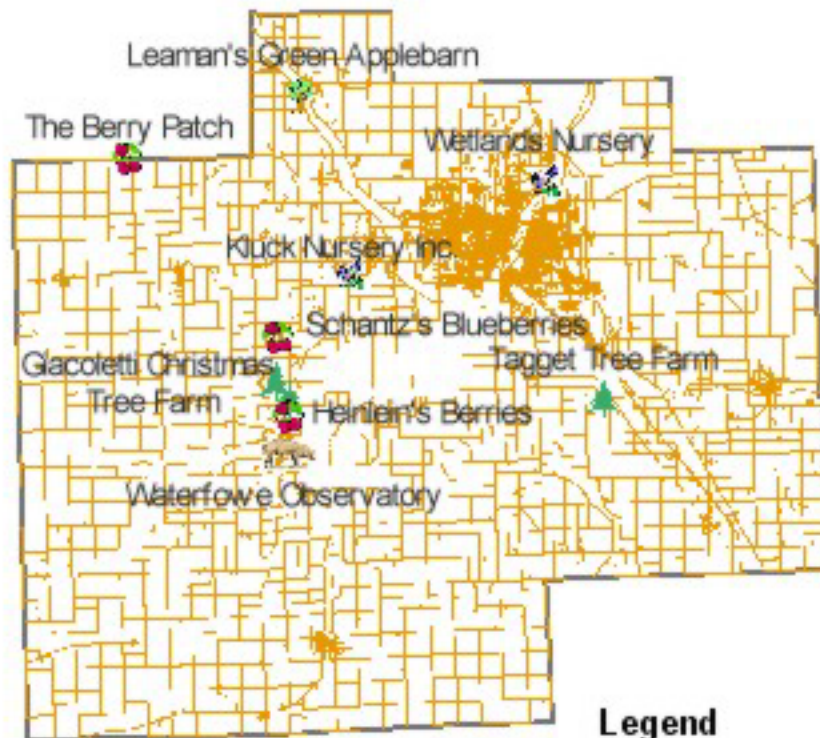


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Produce

Saginaw County

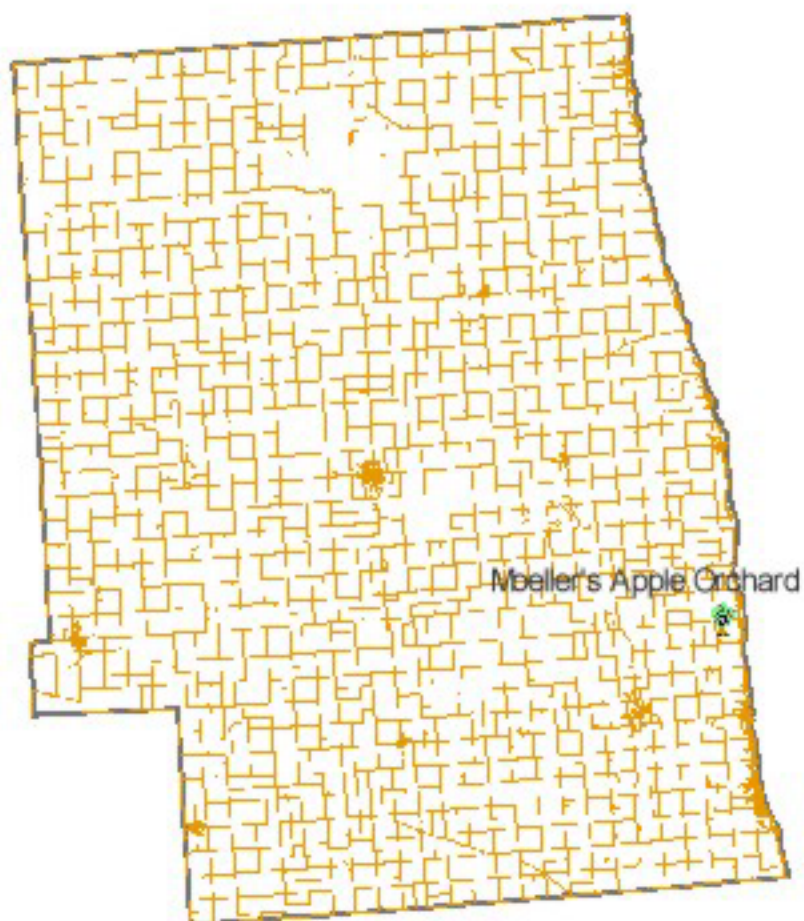


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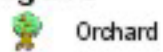
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-  Berries
-  Christmas
-  Nursery
-  Orchard



Sanilac County



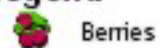
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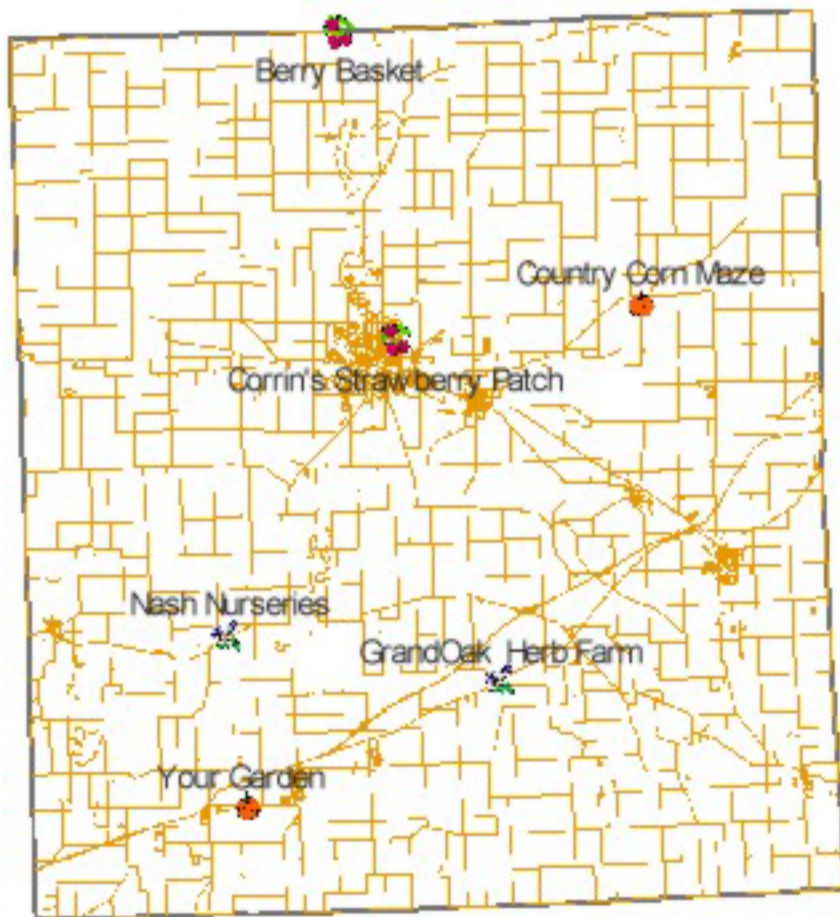
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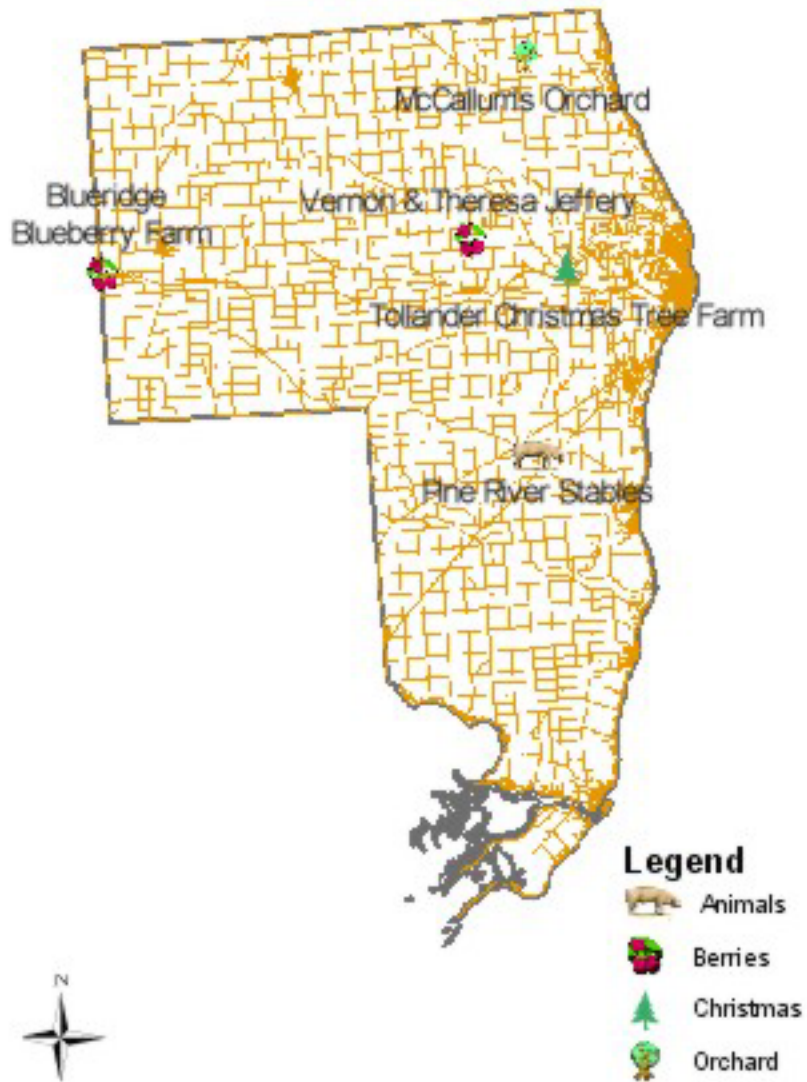
Shiawasee County



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-  Berries
-  Fall Harvest
-  Nursery

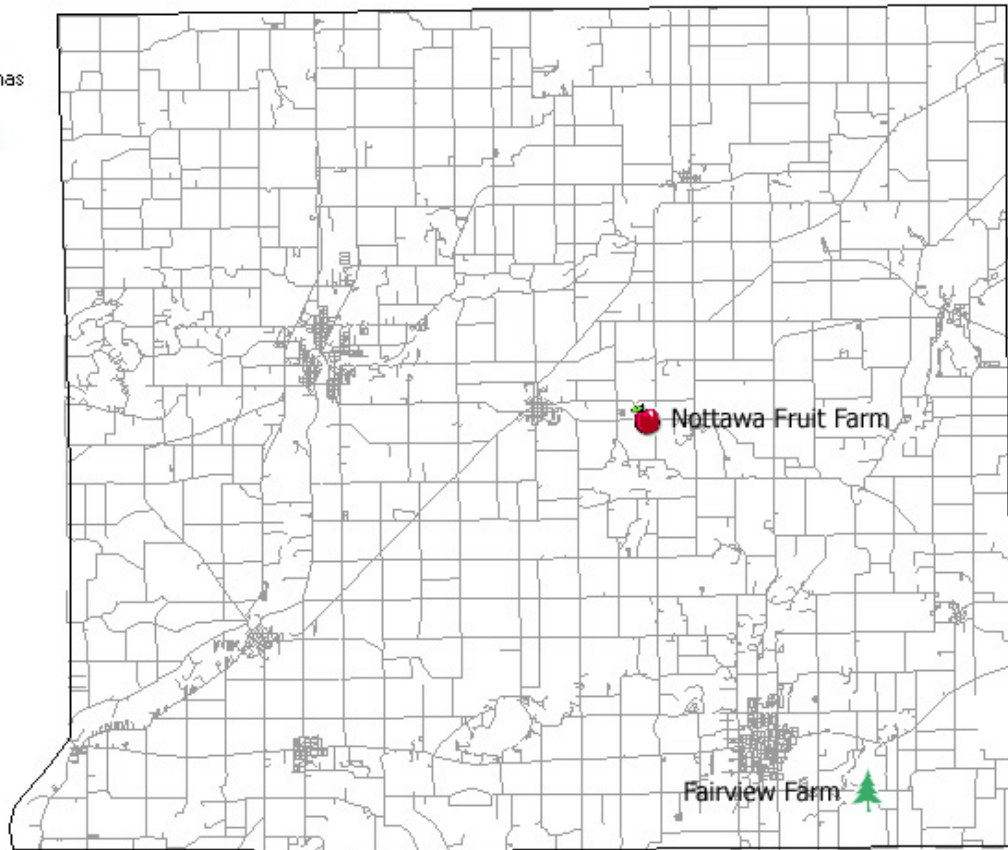
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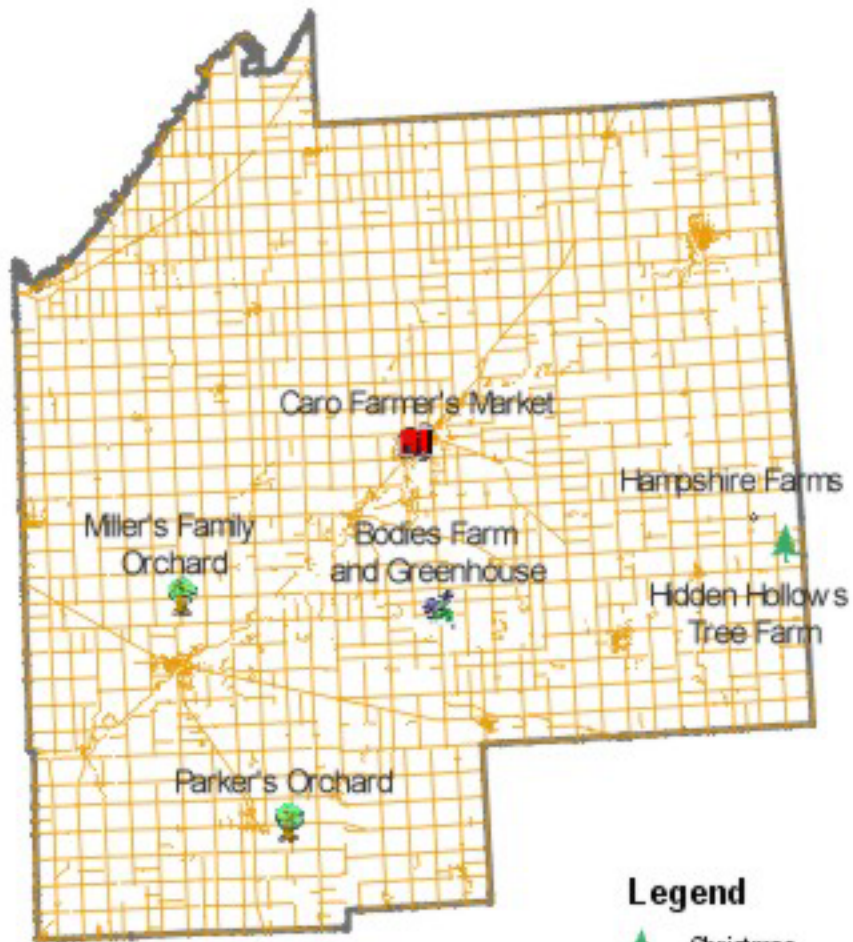
St. Joseph County

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-  Christmas
-  Fruits



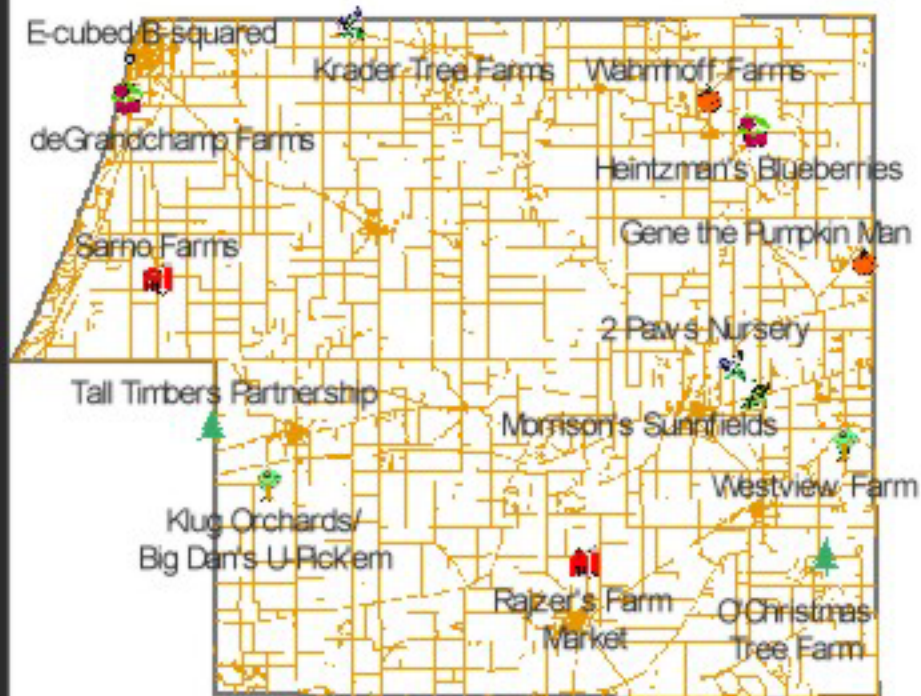
Tuscola County



Legend

-  Christmas
-  Farm Market
-  Nursery
-  Orchard

VanBuren County



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Berries



Christmas



Fall Harvest



Nursery



Farm Market



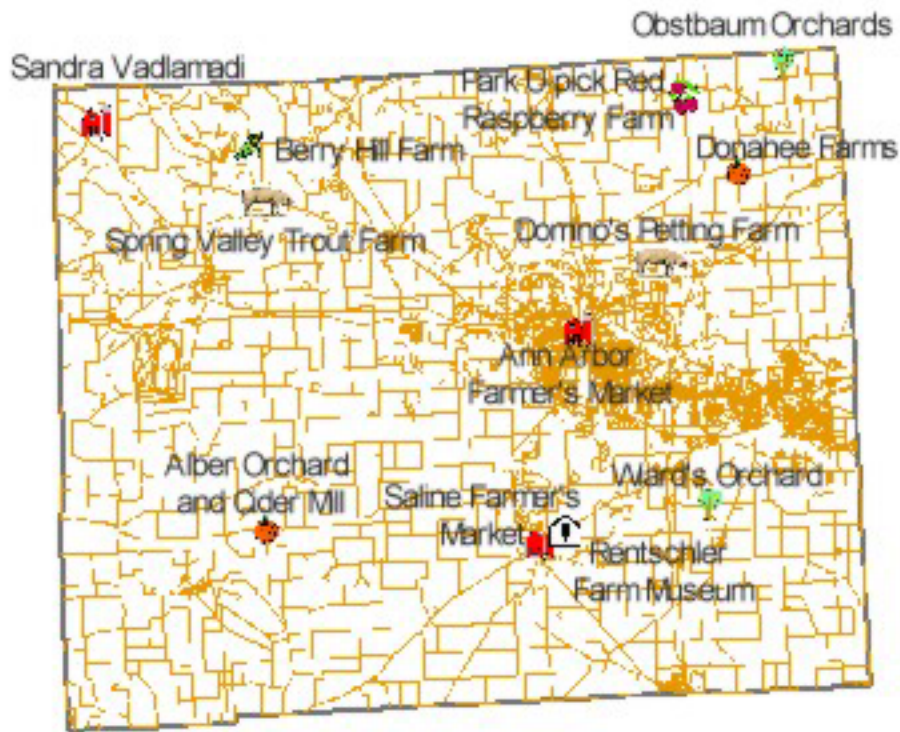
Orchard



Produce



Washtenaw County



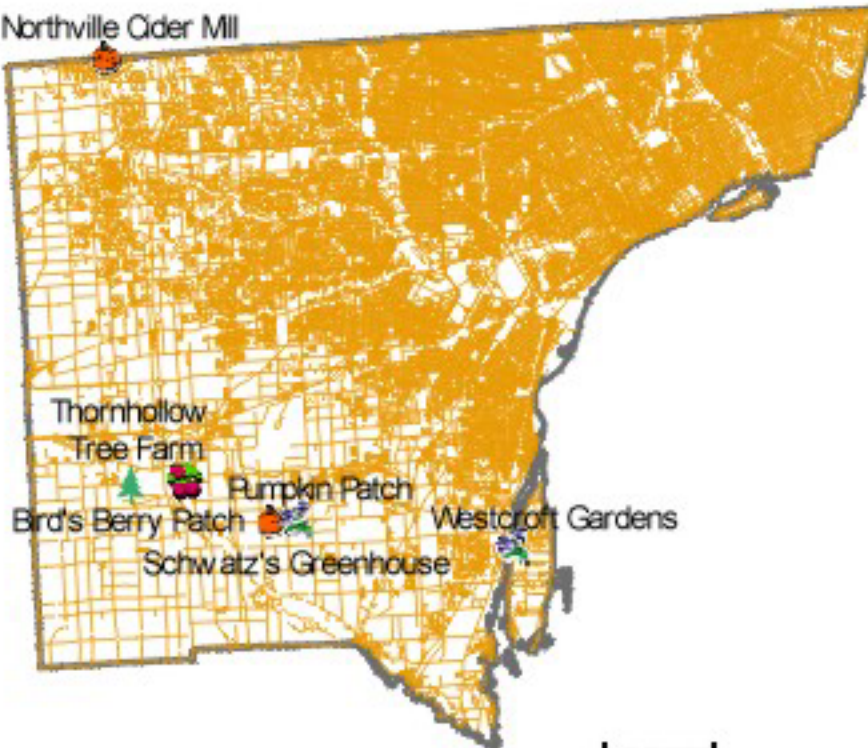
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- | | | | |
|---|--------------|---|-------------|
|  | Animals |  | Farm Market |
|  | Berries |  | Orchard |
|  | Fall Harvest |  | Historica |
|  | Produce | | |



Wayne County

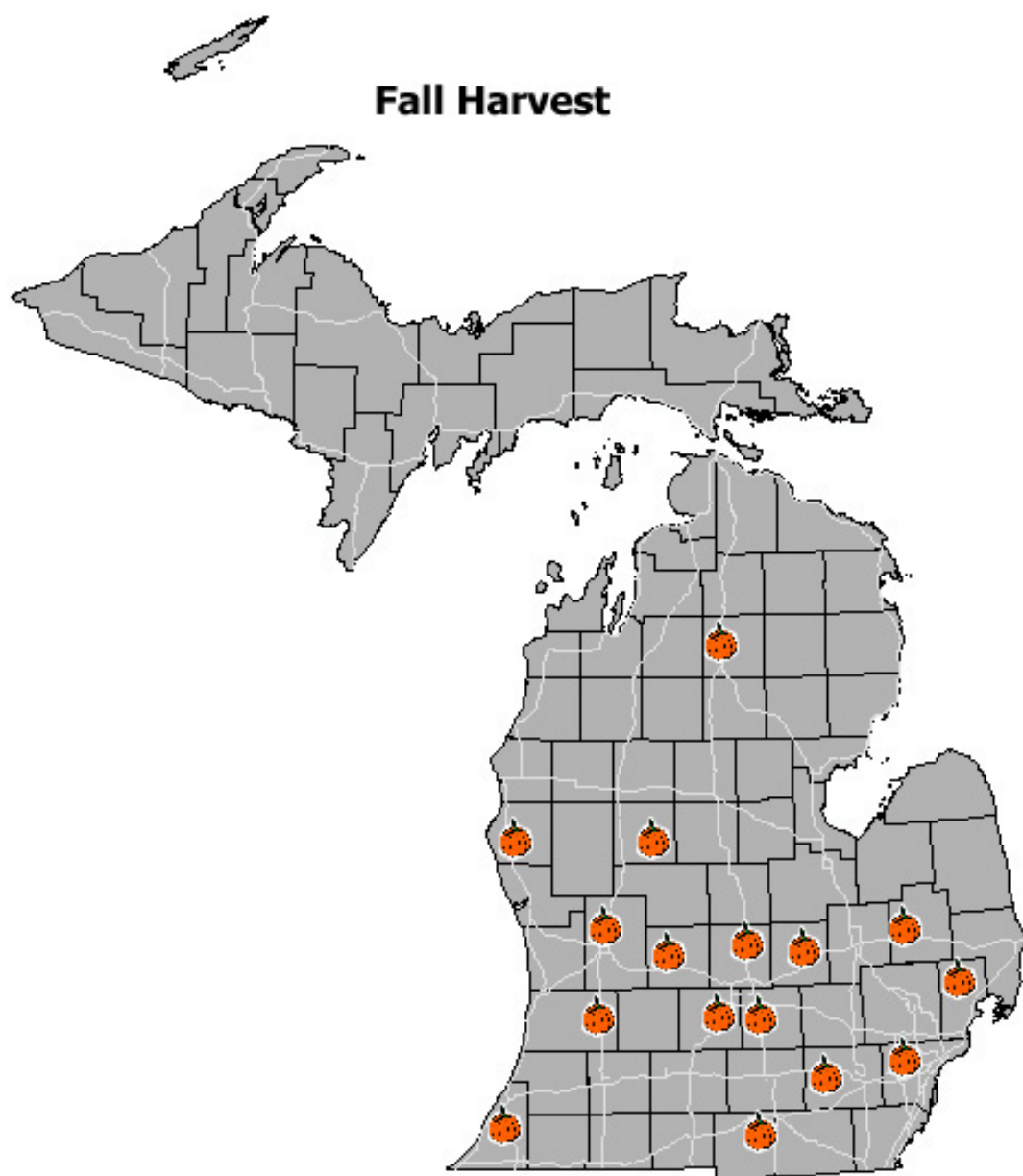
Northville Oider Mill

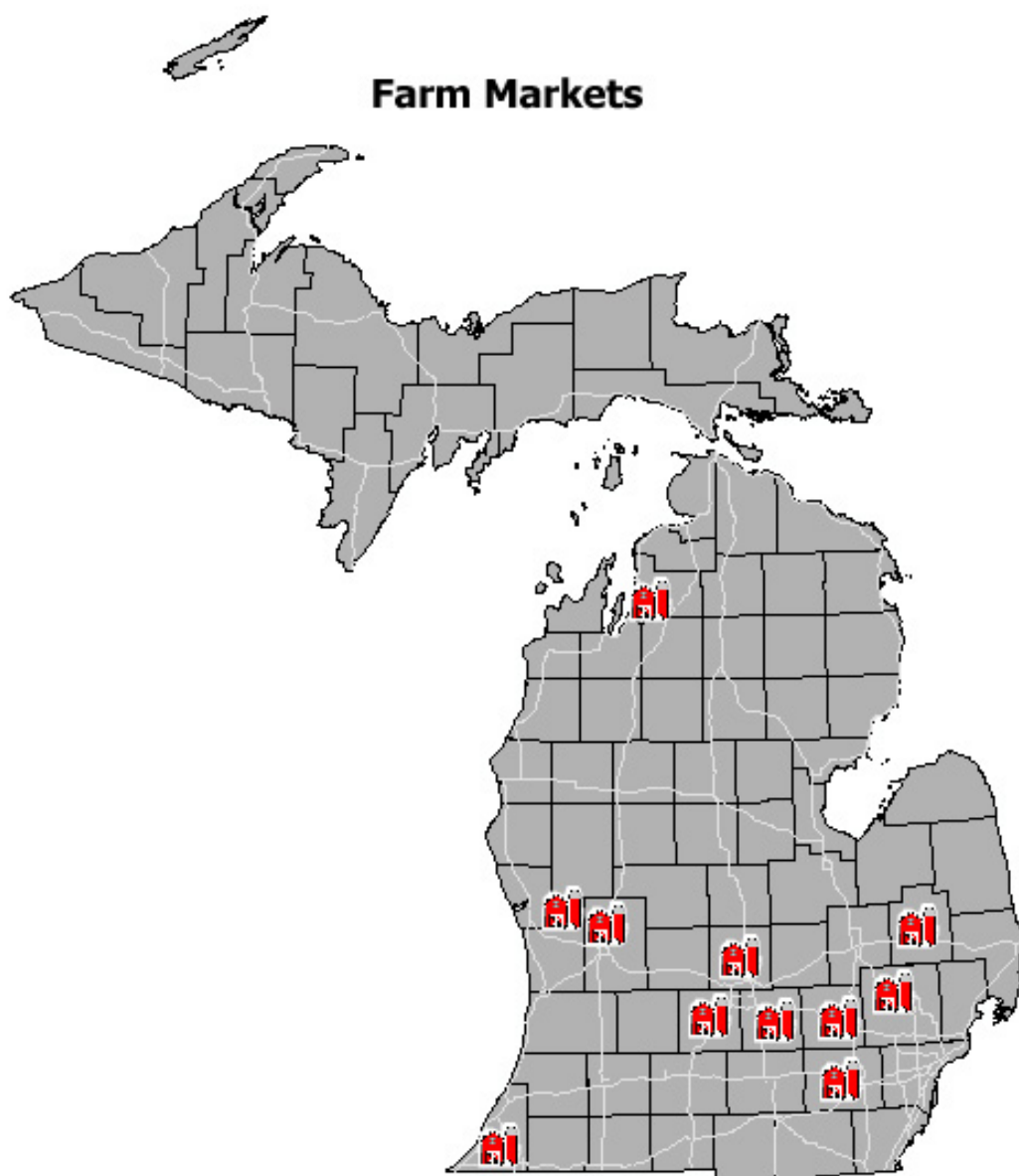


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-  Berries
-  Christmas
-  Fall Harvest
-  Nursery

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APPENDIX IV: EXAMPLES OF WEB PAGES LINKED TO THE WEB-BASED GIS DATABASE

Uncle Johns Cider Mill

8614 N US 27
St. Johns MI 48879

Website: www.ujcidermill.com
Phone: 989-224-3686
Email: CB@ujcidermill.com

Uncle Johns Cider Mill produces and sells cider, donuts, apples, bakery products, caramel apples, and sweet cherries. Also sold is sweet corn and peaches.

Uncle Johns Cider Mill also features wagon rides, grain rides, a fun house, a nature trail, a pumpkin patch, horse drawn wagon rides,

Restrooms are available for the convenience of customers.

Open April through December 31st
Hours: 9 a.m. - 6 p.m.
9 a.m. - 8 p.m. September and October

YAHOO! Maps
[Map of 8614 N Us Highway 27](#)
[St Johns, MI 48879-9425](#)

Westview Orchards & Cider Mill of Romeo

Est. 1950

65075 VanDyke
Romeo, MI 48095

Westview Orchards & Cider Mill features many different activities, including a large petting farm, wagon rides, a 2 acre playground, an operating cider mill, a themed 4 acre corn maze, K's Kitchen and Bakery, a farm market, the Lost in Space indoor maze, and live family entertainment on the weekends.

Restrooms are available for customer convenience.

Hours: 8 a.m.-6 p.m.(January-March)
8 a.m.-7 p.m. (August-December)

YAHOO! Maps
[Map of 65075 Van Dyke Rd](#)
[Washington, MI 48095-2010](#)

Friske's Farm Market

11027 Doctor Rd
Ellsworth, Michigan

Phone: 231-599-2604

Email: info@friske.com

Website: www.friske.com

Friske's Farm Market produces and sells apples, peaches, cherries, dried fruits, jams, cherry juice and concentrate, pies and IQF fruits.

When visiting Friske's Farm Market you have the option of picking your own strawberries, cherries and apples.

Friske's also offers Noah's Ark playground, John Deere trike track, a pumpkin house, wagon rides, a petting farm, a covered porch for dining, and visitor restrooms.

Friske's sells their products to the Boyne City and Bellaire Farmer's Markets.

Open from Memorial Day weekend - Labor Day
Hours: 7 a.m. - 7 p.m.

YAHOO! Maps
[Map of 11027 Doctor Rd](#)
[Ellsworth, MI](#)

Peterson & Sons Winery, LLC

Est. 1983

9375 E P Ave
Kalamazoo, MI 49048

Peterson & Sons Winery, LLC produces and sells wine without chemicals.
A testing and sales room is also located on site.

Restrooms are available for customer convenience.

Open year round
Monday, Friday and Saturday 10 a.m.-6 p.m.
Sunday 12 p.m.-6 p.m.

YAHOO! Maps

[Map of 9375 E P Ave
Kalamazoo, MI 49048-9762](#)

Appendix V: Consumer Survey Report

**2003 SURVEY OF CONSUMERS AT
MICHIGAN AGRITOURISM OPERATIONS**

**Ann Veeck
Gregory Veeck
Deborah Che**

Western Michigan University



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Introduction

Agritourism is an increasingly important segment of the \$3 trillion worldwide tourism industry. Certain psychographic and demographic trends favor future growth of the agritourism market. First, the American Recreation Coalition's "Outdoor Recreation in America in 1998" survey shows continuing upward trends in outdoor recreation, including farm-based activities (Maetzold 2000). Two important market segments, baby boomers and seniors have in part fueled this upward trend in nature-based tourism. A Values and Lifestyles (VALS) survey conducted by Stanford Research International found that 30 million of the total 75 million American 'baby boomers' born between 1945 and 1963 have psychographic characteristics emphasizing environmental concern, social awareness, a global view and personal growth. These 'green' consumers, who are well-traveled, well-educated, professional, and have high income levels, are considered the core of the U.S. ecotourism and agritourism market (Wood 2002). Seniors are also a key market for agritourism, given their disposable income and leisure time. Agritourism also appeals to the growing number of family-oriented tourists (i.e. baby boomers and seniors traveling with children and grandchildren respectively) by providing hands-on, educational activities that involve both children and adults (Mason 2000; Ragsdale and Real 2000). Agritourism also attracts the increasingly urban and suburban boomer and senior populations who are a few generations removed from the farm and who hold nostalgic and romanticized views of rural, agricultural areas that contrast with negative views of urban areas.

Michigan agricultural producers, faced with declining commodity prices, rising production costs, and increased global competition, have looked at agritourism, a growing segment of the tourism industry, as a way to save the farm as well as provide customers with personalized service; high-quality, fresh food; and farm, nature, and family experiences. While previous research on agritourism indicates that it taps into consumption-related trends in American society, for Michigan farmers, it is important to assess who patronizes Michigan agritourism operations and what brings them on-site. Thus as part of a larger, joint Michigan Department of Agriculture (MDA) and Western Michigan University (WMU) agritourism project supported by the U.S. Department of

Agriculture (USDA), visitors to Michigan agritourism destinations were surveyed in order to determine their demographics and consumption decisions . The methodology of and results from the WMU/MDA agritourism consumer survey study follow.

Methodology

To specifically obtain information on the demographics and consumption decisions of visitors to Michigan's agritourism destinations, a team led by Sandra Hill (MDA) and Dr. Deborah Che (Geography, WMU) developed a survey of consumers at agri-tourism operations in Michigan. This survey was developed from ideas and opinions of agritourism operators gathered as part of three focus groups, each consisting of six to nine firm owners, conducted in 2002 by members of the project team. Based on the results of these focus groups held in Kalamazoo, Ellsworth, and Flint, a comprehensive consumer survey was developed by researchers at WMU in conjunction with experts at the MDA. The consumer survey contained questions regarding the respondents' traveling party, distance traveled, home zip code of residence, site-specific visiting patterns (past, present, and future), visitation to other agritourism operations within the last 12 months, means of learning about the agritourism operation, activities enjoyed and products purchased on the day of visitation/survey, and Likert-type questions designed to identify opinions related to the reasons for the visit.

Once the survey instrument was evaluated by the MDA, MDA staff conducted surveys on-site at agritourism operations (both farm and farmers markets) around the state of Michigan during August–October 2003. Approximately 50 surveys were conducted at each of the 31 sites. There were a total of 1550 respondents to the WMU/MDA survey. Once the surveys were collected by MDA and sent on to WMU-Geography, data was entered into SPSS and statistical calculations completed. The following sections and appendices feature figures and results from the data analysis. Additionally, GIS maps showing where surveyed visitors came from (using their home zip codes) were created for each of the 31 agritourism operations (Appendix 1).

Survey Demographics

The WMU/MDA consumer survey included 1550 respondents. Including all persons accompanying the survey respondents to the agritourism businesses, more than 4,390 persons participated in the project.

A typical group of agritourism visitors included 2.82 persons (standard deviation = 2.825), with a range from one person to a high of fifty-two persons (Figure 1). Groups of one or two persons accounted for 957 of 1550 surveys (61.9%), while three person groups accounted for 12.81% of the sample. Groups of four persons accounted for 11.97% of the sample. Groups with five or more persons in their party accounted for 13.32% of the survey. There are two different types of customers visiting these businesses: 1) younger or older couples or individuals, and 2) families with one or more children.

Sixty percent of the persons in the sample of 4,360 persons who provided information on gender in the survey were female. Thirty people did not fill out this question.

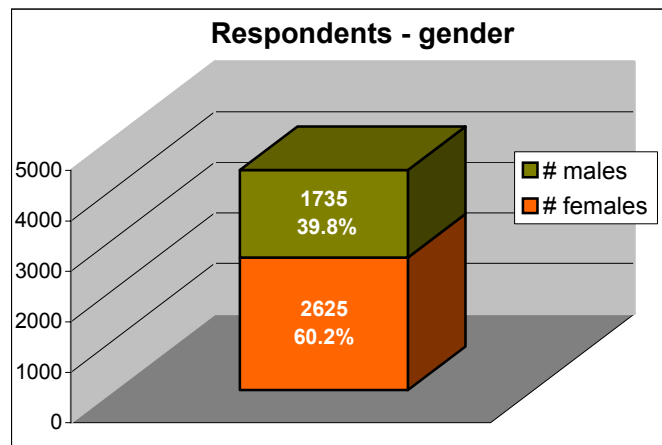


Figure 1: Survey participants and their groups divided by gender.

Taking the sample as a whole, 29.52 % of visitors were children or young adults under the age of 20. Of these, 177 were teenagers, a figure below expected numbers, but not

surprising given that many of the three and four person groups were families with young children (Figure 2 and 3).

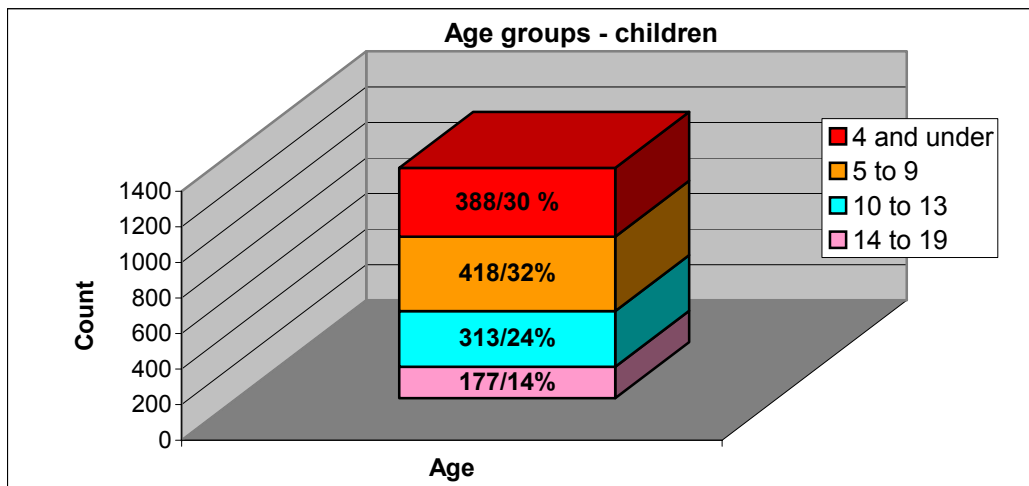
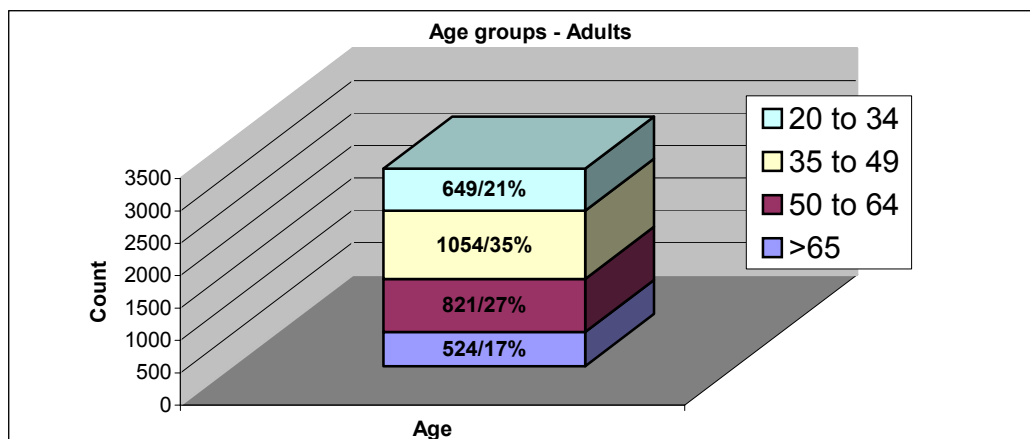


Figure 2: Distribution of Children by Age for Sample of 4,390 visitors to agritourism businesses participating in the WMU/MDA survey.

Turning attention to the adults that comprised 70.47% of total visitors, the largest group by our age categories was those between 35 and 49 (families in many cases). The number of 20-somethings was disproportionately low, suggesting that this segment of the population is less interested in agritourism activities. Alternately, more age-specific forms of advertising or programs may be required to increase their participation rates.

Figure 3: Distribution of adults by age group among respondents and their groups, WMU/MDA agritourism survey, 2003.



One of the more interesting aspects of the survey was the finding that once self-reported household income was over \$30,000/year, there was no significant difference in attendance rates by income group. Families reporting annual incomes of below \$29,999 were under-reported in the sample. This statistic may indicate that lower income families do not currently shop at on-farm venues, but it may also simply be an artifact of the survey. Remember that 327 respondents decided not to report their income and a disproportionate number of these may be families with lower incomes. What is certain is that families with incomes over \$30,000 are as likely to visit agritourism operations as families reporting incomes in excess of \$100,000.

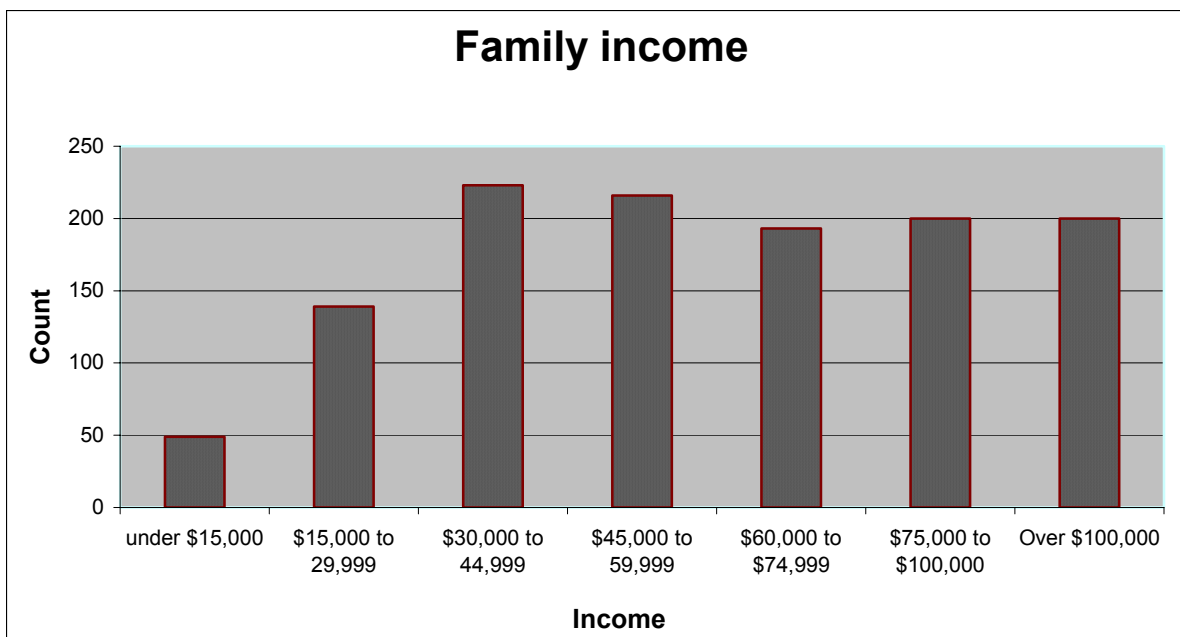


Figure 4: Self-reported family income for WMU/MDA agricultural tourism survey participants 2003 (n= 1223 as 327 refused to answer or did not know)

The distribution of all of the participants in the consumer survey may be found in Figure 5. The pattern reflects both the state's population distribution and the selection process for firms participating in the project. Only customers reporting in-state zip codes were mapped in this report, although for some of the firms such as Jollay Orchards, a significant percentage of customers came from Indiana and Illinois. Including all in state and out-of-state counties would have required severe reductions in the scale of the maps,

rendering them illegible. More than 95.8% of our respondents reported a Michigan zip code as their zip code of residence. Appendix 1 includes maps indicating the dispersal of customers for each firm reporting more than 24 customers. This set of maps reflects the importance of local visitors to most of these firms. The exception to the overwhelmingly local visitors was those firms located in the Southwest portion of the state which draw tourists from Indiana and Illinois.

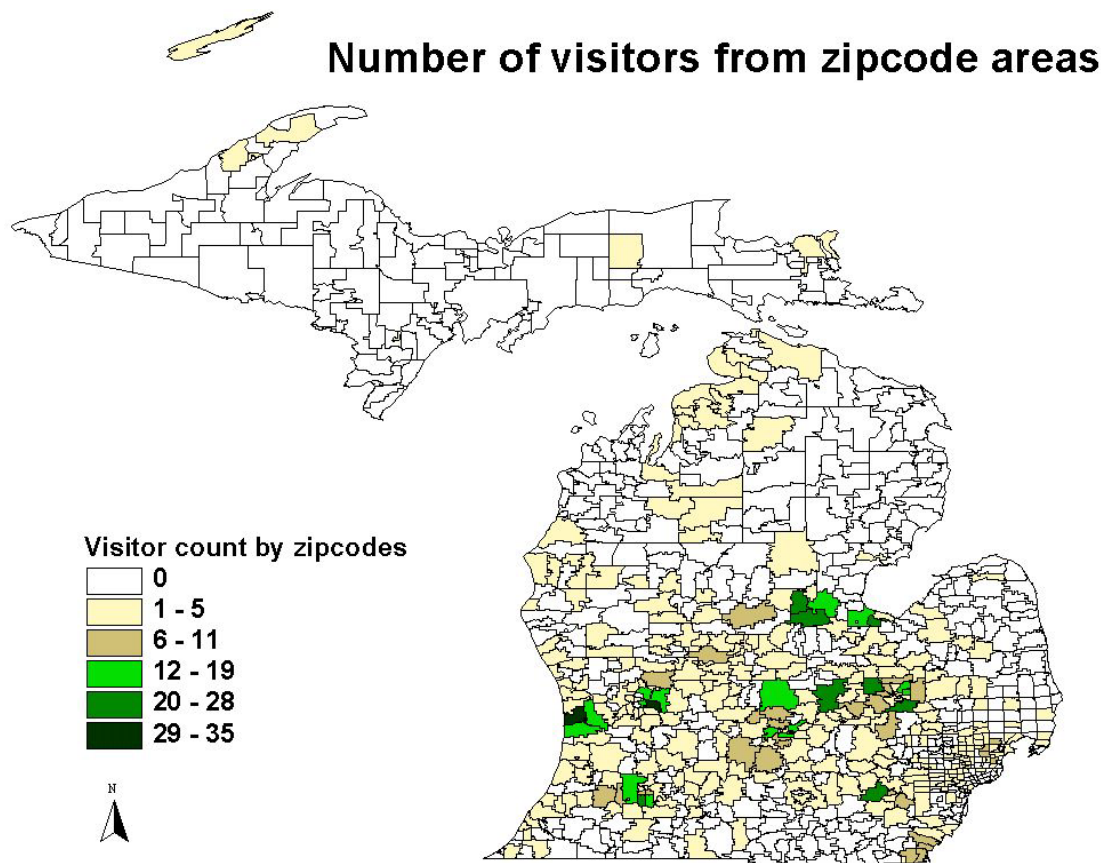


Figure 5: The residence location of all in-state survey respondents for the WMU/MDA agricultural tourism consumer survey.

Reasons for Visiting Agritourism Operations

Survey respondents were asked, in an open-ended question, to state “the most important why you came here today” for the operation where they completed the survey. While there were a variety of answers incorporated in the 1,528 responses, the most frequent answers related to the products the operations were centered on, or to a view that the visit was a family activity. The answers very clearly related to the particular places from which the surveys were distributed. The top answer, yielding over one-quarter of the responses (26%), related to procuring vegetables, such as “to buy fresh vegetables,” “to get fresh produce,” and “to pick vegetables.” The second most popular response (16.7%) related to obtaining apples, such as “to pick apples” or “to buy apples.” The third most cited response (7.2%) involved viewing the trip as a family activity, with answers such as “family outing,” “family fun,” “family party,” and “family trip.” Figure 6 displays the top eight responses to this question.

Reason	Frequency	Percent
To get fresh vegetables, fresh produce, to pick veg.	397	25.96
To pick or buy apples	253	16.55
Family outing, family fun, family party, family trip	111	7.26
To buy cider	90	5.89
To buy pumpkins	88	5.76
Fun for kids, kids' activities, kids' trip	72	4.71
To buy corn	70	4.58
To buy fresh fruit	67	4.38

Figure 6. Top Eight Main Reasons for Coming to the Agri-tourism Site

Respondents were also provided a number of reasons for visiting agri-tourism operations and asked how important, on a scale from 1 to 5 with 1 = not at all important and 5 = very important, each of those reasons were. By far, the most important reason for visiting the operations, with almost all (95%) of respondents agreeing that it was a “very important” or somewhat important” reason for visiting was “source of local, fresh products.” The next important reason, with 84% of respondents indicating agreement, was “good value.” The only two reasons that the majority of respondents did not feel

were important were “experience nature” (47.6% agreement) and “learn to use farm produce” (29.7% agreement). Figure 7 displays the complete list of reasons, along with agreement by respondents.

Reason	Percent agreement*
Source of local, fresh products	95.0
Good value	84.0
Experience personal touch	73.5
Family or children’s activity	66.5
Convenient location	61.3
Visit farm lifestyle	50.8
Experience nature	47.6
To learn how to use farm products	29.7

*percent “agree” or “strongly agree” responses, on a 5-point scale with 1=strongly disagree and 5=strongly agree.

Figure 7. Agreement with Reasons for Visiting Agri-tourism Operations

Respondents were also asked to list the activities in which they participated in while at the operation. The most popular activity mentioned by respondents, involved, not surprisingly, activities involving fresh fruits or vegetables, such as picking fruit or buying fresh vegetables, with 14.5% of respondents listing it as at least one of their activities. The activity that was second most likely to be cited including shopping, in general, with 13.4% of respondents listing “shopping” or “browsing.” Other activities frequently listed included picking or buying apples, eating, hay rides, and petting or looking at animals. The top activities listed are shown in Figure 8.

Activities	Percent
Picking or buying fresh produce	14.6
Shopping, browsing	13.4
Picking apples, buying apples, buying caramel apples	12.1
Eating food, eating snacks	8.0
Petting, looking at animals	6.7
Hay rides, wagon rides	6.8
Buying pumpkins	5.5
Buying or making cider	5.4
Eating or buying donuts	4.5
Sightseeing, looking around	3.0

Figure 8. Activities at Operations

Importance of Returning Customers: Returning Customers Represent a Critical Proportion of the Customer Base

A number of questions were included in the survey to determine the visitation pattern of the typical adult filling out the survey. From these questions, it is clear that repeat business is critical to the economic health and well-being of these operations. Of the 1550 persons that responded to this question, 85.94% reported a previous visit (Figure 9), and 96.9% reported that they would return during 2003 or 2004 (Figure 10). The use of home mailings --common among the firms participating in our surveys would seem to be well founded in light of the “brand loyalty” exhibited by the respondents. To check on these questions, we also asked how many people had visited the agritourism business where they completed the survey prior to the day of the survey, reflecting past customer loyalty. Again, we found a consistently high pattern of support. Results indicated that 76% of respondents visited the business within two years, but only 56% of respondents came during the previous year. It well may be that visits are cyclical (Figure 11). It is also important to realize that most people participating in the survey regularly visit other agricultural tourism businesses. Of the 1548 people responding to this question, more than 70.82% reported visiting other agricultural tourism operations in the past twelve months (Figure 12). Direct mailings can be used to assure return business, but other forms of advertising should be used to assure an expanding customer base. Once people visit these operations, there is a very high probability that they will return.

Have you visited here before?

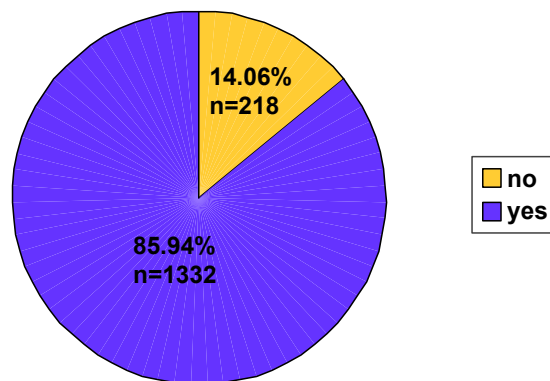


Figure 9: Previous visits to same agritourism business participating in WMU/MDA survey in 2003

Are you planning to return next year?

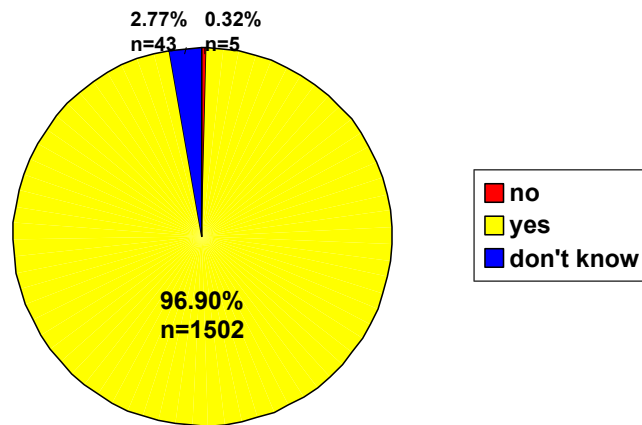
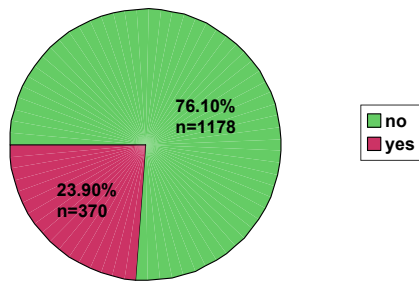


Figure 10: Proportion of customers planning a return trip to same agritourism business where they were surveyed in 2003.

Have you visited here in 2001?



Have you visited here in 2002?

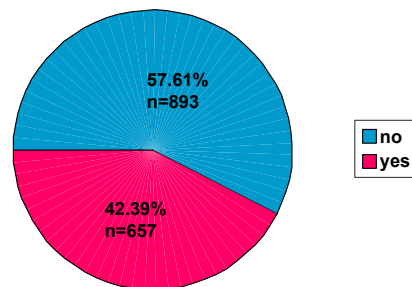


Figure 11: Past visits to same agritourism business where the customer was surveyed at 2001 and 2002. Survey was conducted in 2003 by WMU/MDA agritourism project.

Have you visited other agro-tourism operations within the last 12 months?

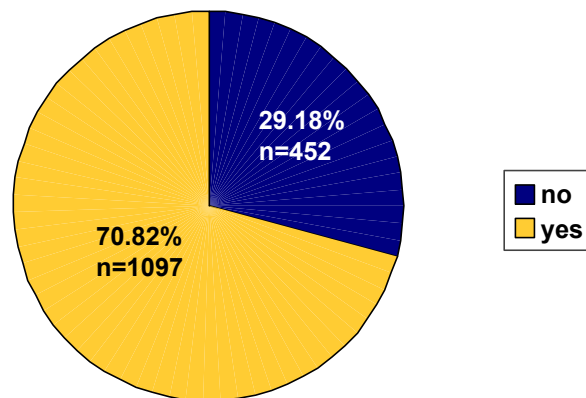


Figure 12: The “Agritourism” Enthusiast as a portion of the total consumer base for the WMU/MDA agritourism consumer survey.

Importance of Local Customers: Customers may be closer than you think

Each respondent was asked to provide information on the trip that included their visit to the agritourism business where they completed the survey. Information on the actual miles traveled was collected as well as the zip code information presented above assuming that not all customers were coming directly from home or alternately returning to their home after their visit. The average number of miles traveled was 22.0 miles (standard deviation = 54.66), but the range was very large (from 1 mile to 1200 miles) reflecting the impact of out-of-state customers on the agritourism businesses of Michigan. While the long-distance customers certainly “grab” our attention, it should again be noted that many of the customers for these businesses are neighbors. Many customers live within 25 miles of the firms where they were surveyed and thus it is important to consider how critical these “home-grown” customers are to the financial success of many of these

operations (Figure 13).

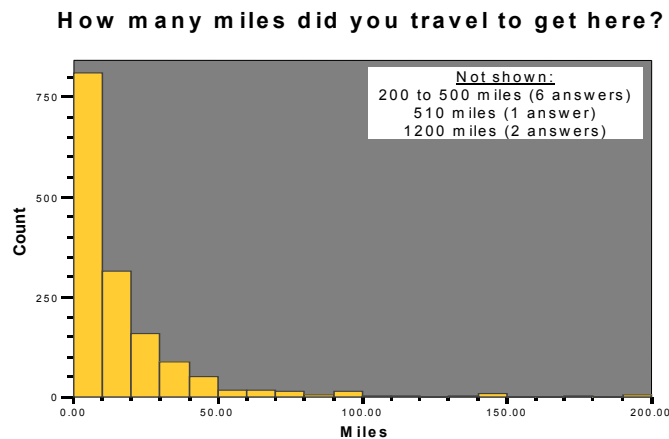


Figure 13: Distances traveled by respondents of the WMU/MDA agritourism survey: 2003

More than one-half of the respondents to this consumer survey lived within ten miles of the business. But there is still considerable potential for increasing customers living within thirty to fifty miles of the businesses. Appendix 1 provides a customer map for every firm participating in the survey with 24 or more customers. These maps again reflect the local character of the customer base of many of these firms. Of course, almost all of the business had customers from other states not depicted on these maps, but in most cases the “lion’s share” of customers are neighbors and nearby residents.

How Customers Found Out About Agritourism Operations

Respondents were also asked to indicate how they found out about the agritourism operations that they were visiting. The respondents were given six options, of which they could select as many as applied, including “saw when drove by,” “saw ad,” “read about in tourist literature,” “word-of-mouth,” “saw on Internet,” or “saw on sign.” Once again, the answers reflect the local nature of the customer base. The most popular response was “word-of-mouth” (37.9%), followed by “saw it when drove by” (25.9%). Very few respondents learned about any of the operations from the Internet or through tourist literature. The complete responses are shown in Figure 14.

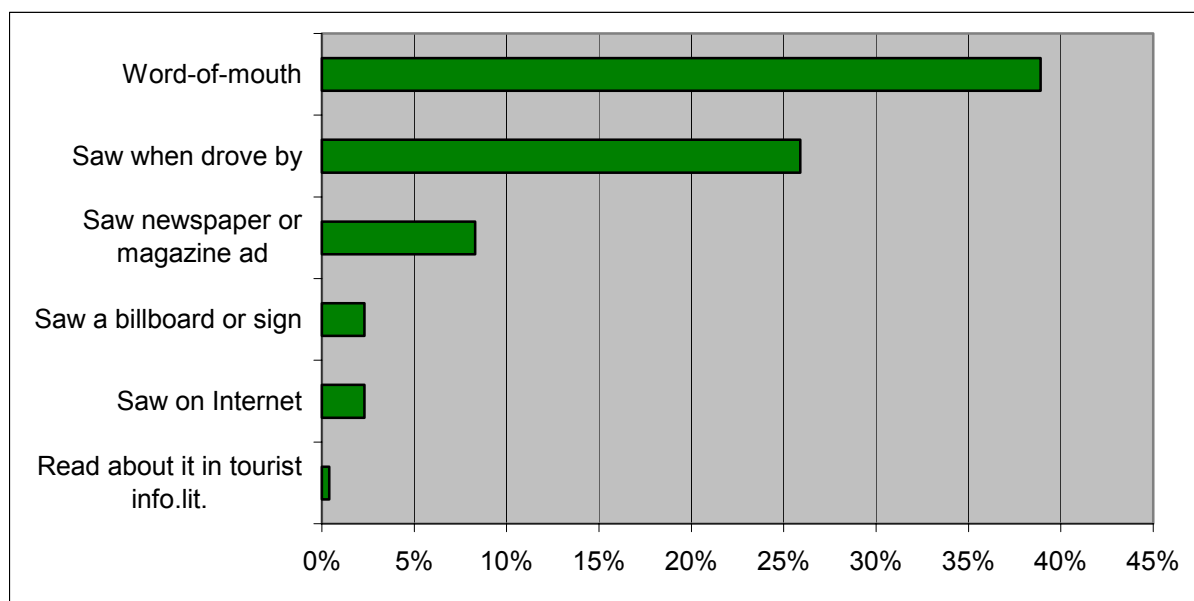


Figure 14. How Customers Found Out About Operations (%)

Conclusions and Recommendations

From the WMU/MDA consumer survey conducted at Michigan agritourism destinations, conclusions can be drawn about visitor demographics and consumption decisions.

Reflecting the family nature of agritourism, many visitors (survey respondents and members of their accompanying parties) were part of families with young children. To attract teenagers and 20-somethings, whose numbers were disproportionately low, more age-specific programming might be necessary. Contrary to findings in the ecotourism and agritourism literature indicating that high income individuals are the core of the U.S. ecotourism and agritourism markets, our data showed the broader market appeal of agritourism. Once self-reported household income was over \$30,000/year, there was no significant difference in attendance rates by income groups (\$30,000-44,999, \$45,000-59,999, \$60,000-74,999, \$75,000-100,000 and over \$100,000).

The survey also revealed the importance of return visitors. Many respondents had previously visited the agritourism site where they were surveyed at, and almost all (96.9%) of customers surveyed indicated they were planning a return trip to the same

business next year. Such return visits, which can be the ultimate verification of businesses' providing quality agricultural products and experiences, indicate a great deal of brand loyalty. Additionally over 70% of surveyed customers had visited other agritourism operations within the last 12 months, showing the importance of dedicated agritourists.

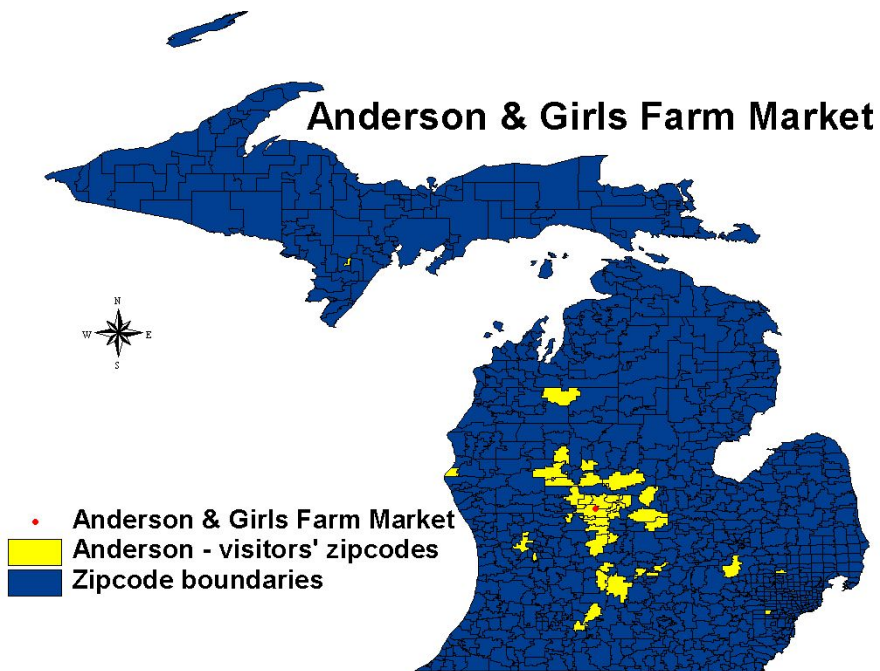
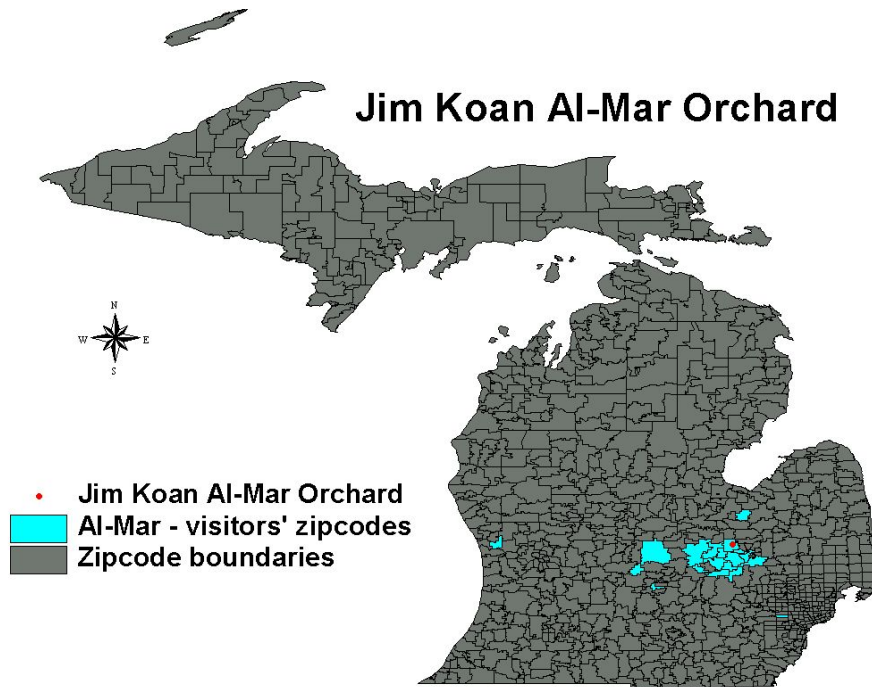
Many of the surveyed agritourism customers could be considered "neighbors." While the responses for the number of miles traveled to the agritourism destination varied widely, reflecting both the local and out-of-state customers, over half of the survey respondents indicated that they lived within 10 miles of the visited agritourism operation. Thus drive-bys, reflecting the fact that many agritourism visitors were neighbors and nearby residents, and word-of-mouth, possibly reflecting the importance of satisfied, return customers, were the most frequently indicated means by which people found out about the visited agritourism business. In contrast, the Internet and travel brochures were rarely cited as ways people found out about the agritourism business.

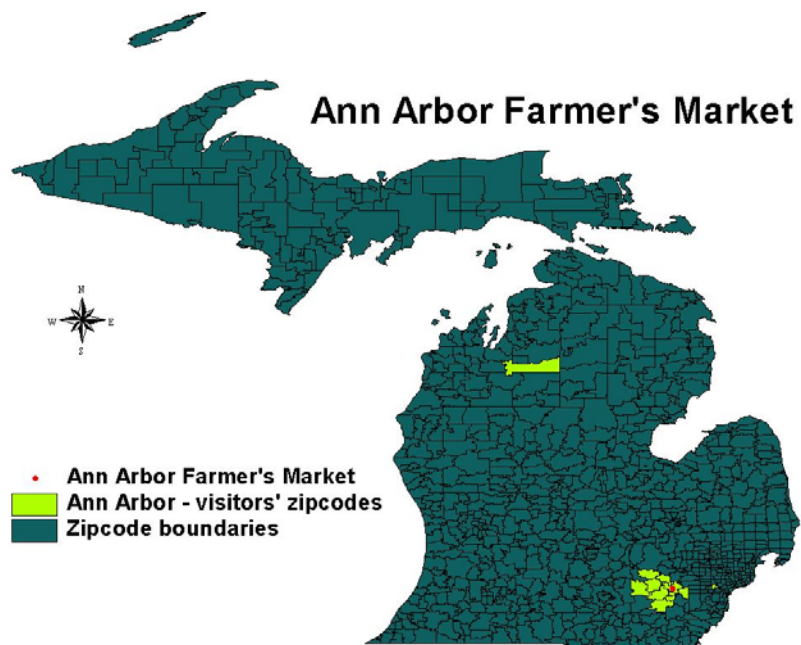
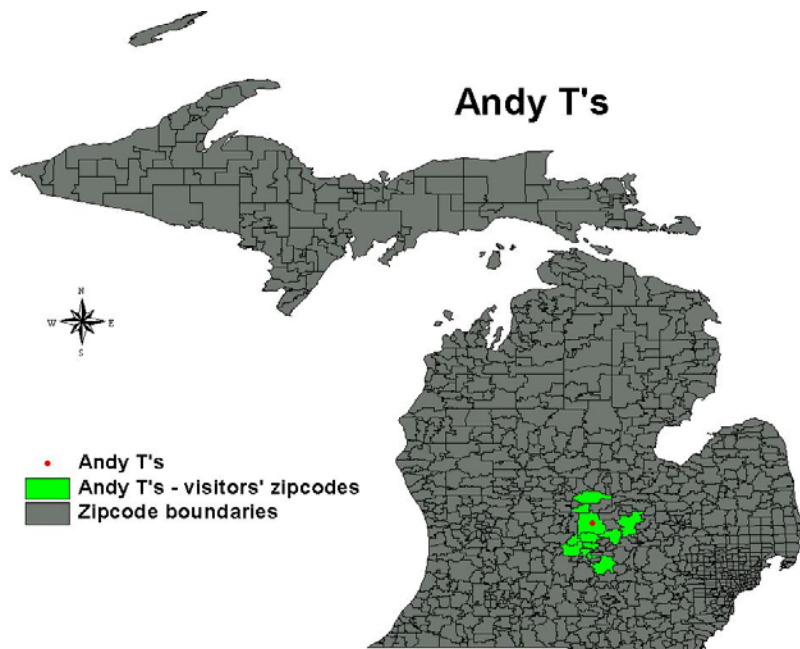
While such local and return visitors are crucial to the success of agritourism operations, potential exists to attract both more customers living 30-50 miles away from the business and out-of-state visitors. To attract these individuals who may be less likely to drive by a location or hear about the business from a family member or friend, the Internet, travel brochures, and greater promotional linkages with and support from Travel Michigan and convention and visitors' bureaus are critical to raising awareness about Michigan's agritourism destinations. Agriculture could be better integrated into existing state tourism promotion campaigns, by using a Michigan fruit (i.e., cherry, apple) as a focal point or symbol for visitors who are interested in the many activities connected to agriculture. Tourism promotion material could also stress the agriculture-related activities possible in Michigan such as visiting a cider mill or farm and picking your own pumpkin. Visiting cider mills could be highlighted as a Michigan's tradition one could take part in while participating in another tradition, the fall leaf color tour. In this way, agritourism could reach new people, who could then become return visitors and word-of-mouth promoters of Michigan agritourism.

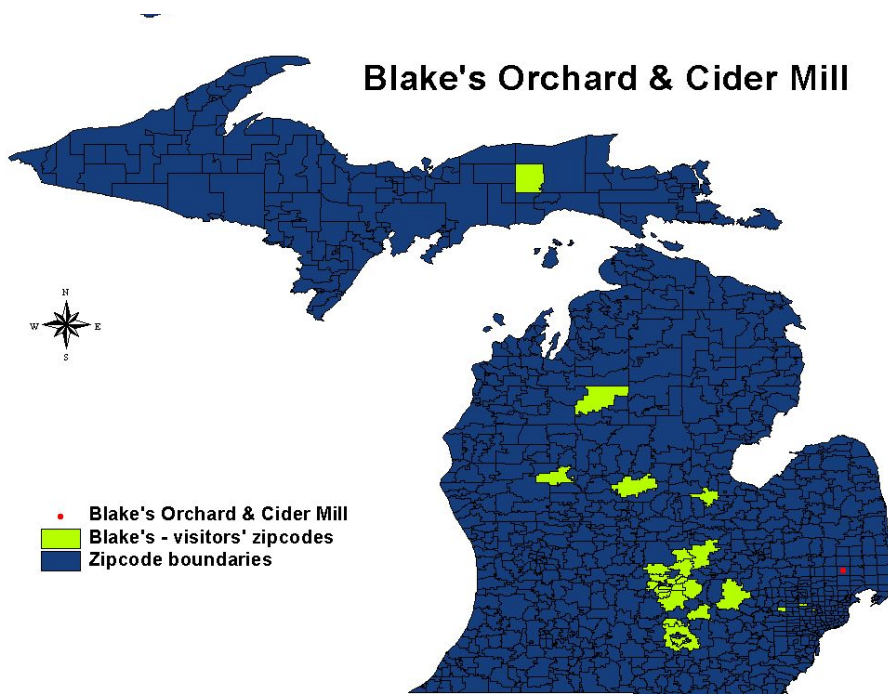
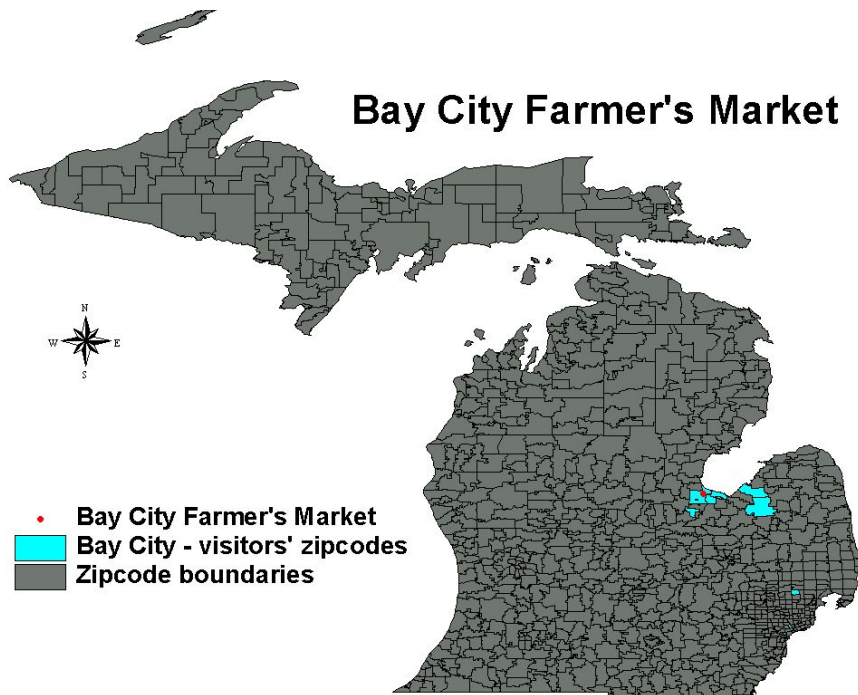
Purchasing/picking fresh, local vegetables, fruit, and produce ranked highest in terms of activities pursued and reasons for visiting the agritourism operation. Given this finding, promotions such as MDA's Select Michigan branding which emphasizes products' Michigan origin can be used at agritourism destinations to reinforce that the message that such businesses are sources of fresh, Michigan agricultural products.

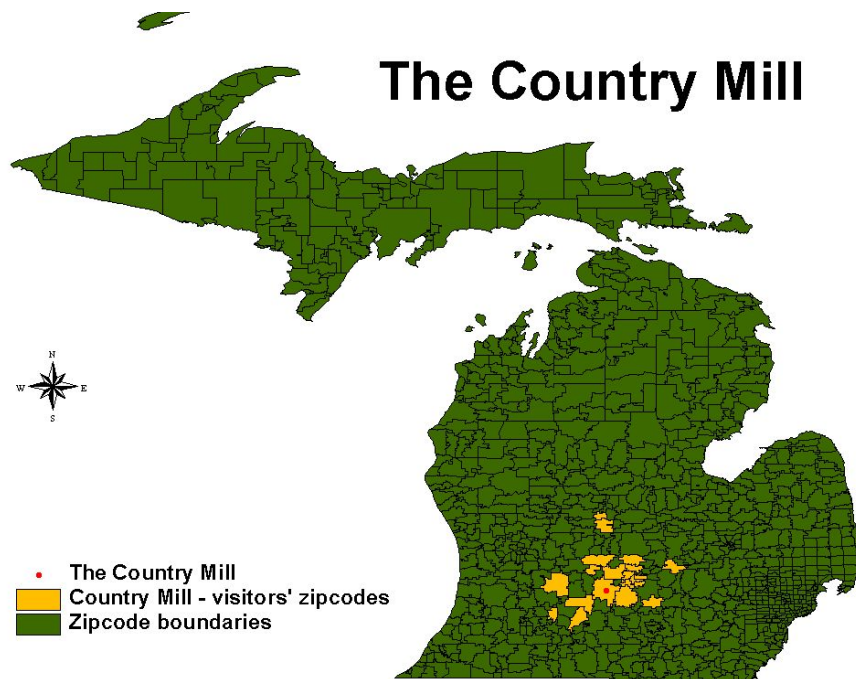
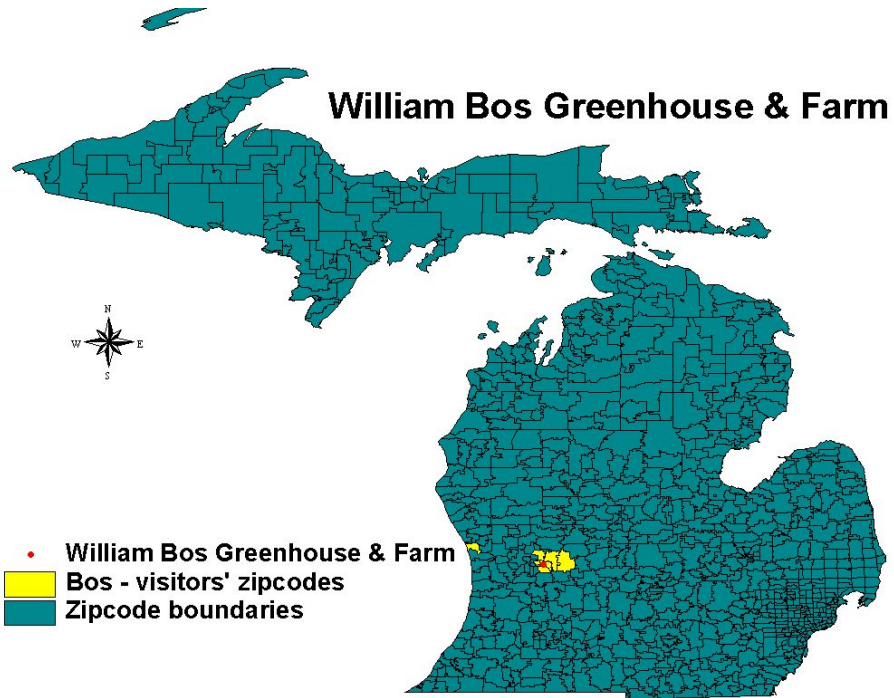
Michigan agritourism producers should also use the tourism encounter to stress their quality production, which may help guarantee both continued, future purchases and agricultural production. Producers can convey both farming and processing quality and thus increase the more profitable on-site sale of Michigan agricultural goods. Stressing the quality and safety of local foods and American agriculture relative to cheaper, imported food via the agritourism experience can also help Michigan farmers deal with agricultural restructuring and globalization. Agritourism could thus provide the means to challenge imports from places with less-restrictive agricultural chemical use and help instill a high level of confidence in Michigan agriculture. Because agritourism visitors are interested in what they're seeing and knowing where their food is coming from, agritourism provides a chance to pitch Michigan agriculture and buy local instead of imported. The message linking agritourism with "healthy products that are grown locally," a way for people to keep in touch with agriculture (i.e., from the farm animals to getting out on the land and picking an apple off the tree or a pumpkin off the vine), and a means for increasing their understanding of agriculture could be conveyed to agritourists. Farm visits which communicate quality can help turn urban and suburban visitors into long-term customers and advocates of Michigan agriculture, which is especially important as farmers make up only 2% of Michigan's population.

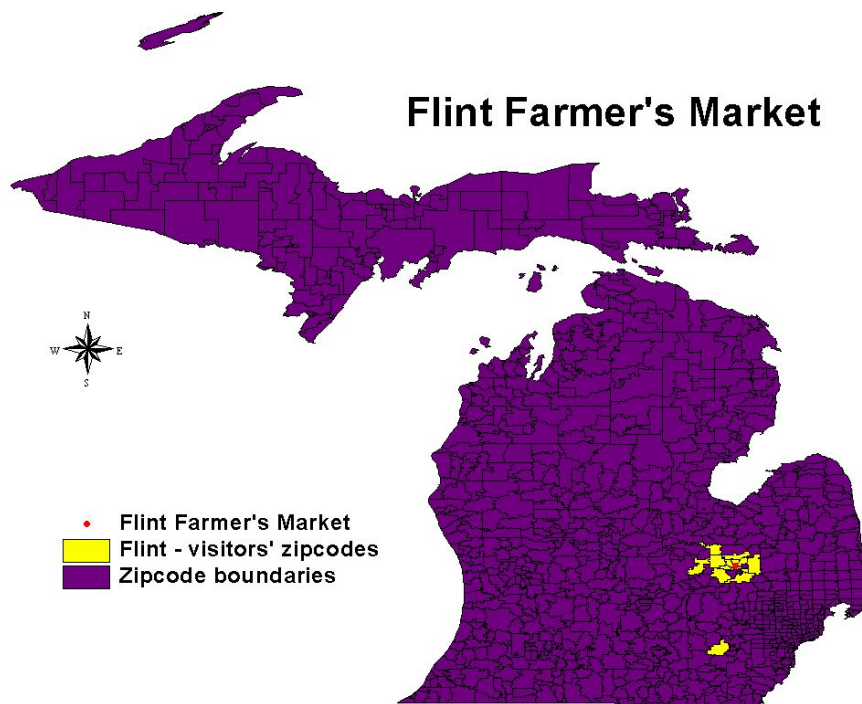
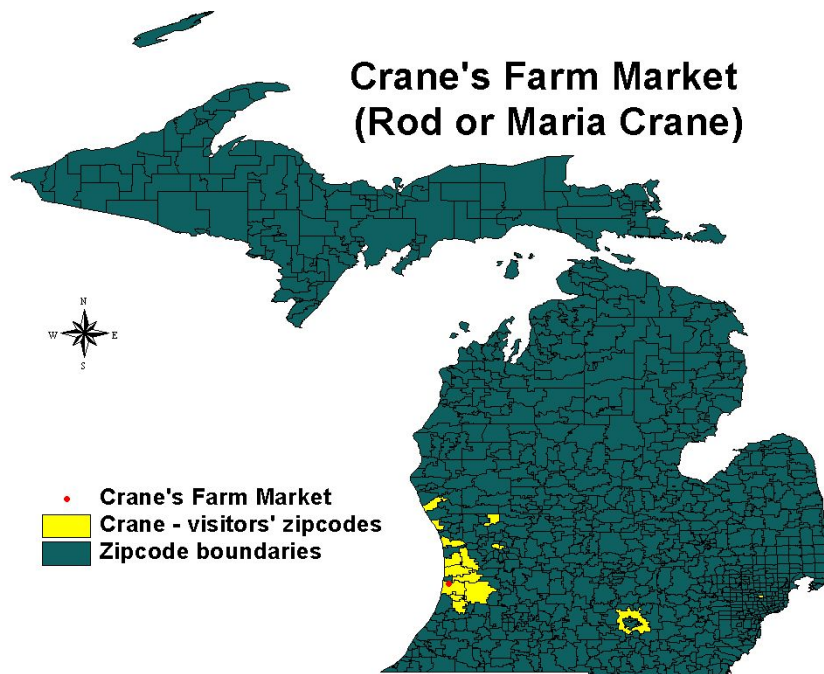
APPENDIX 1: MAPS OF AGRITOURISM OPERATORS' CUSTOMERS

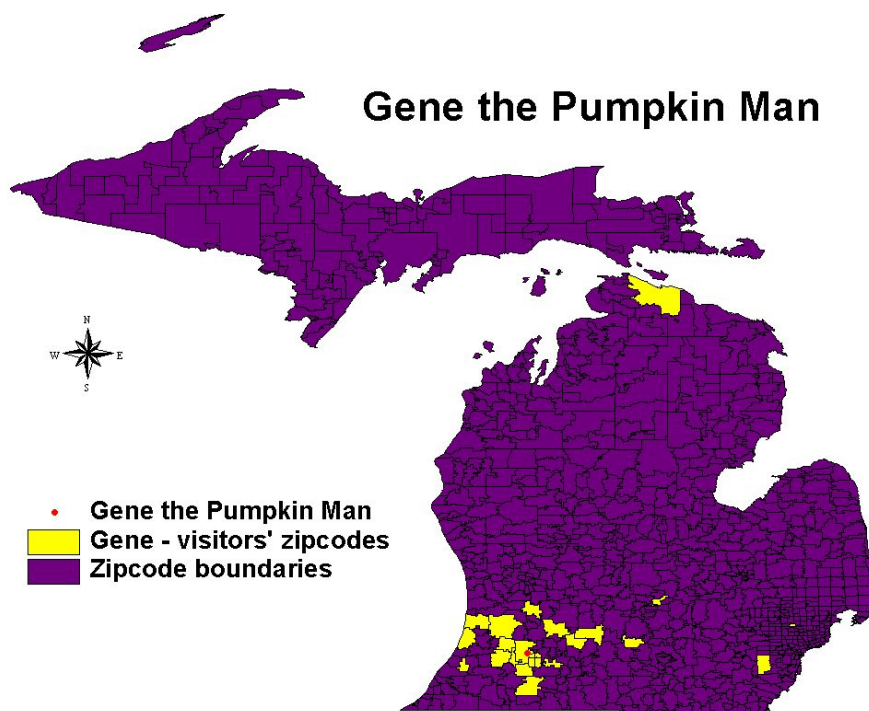
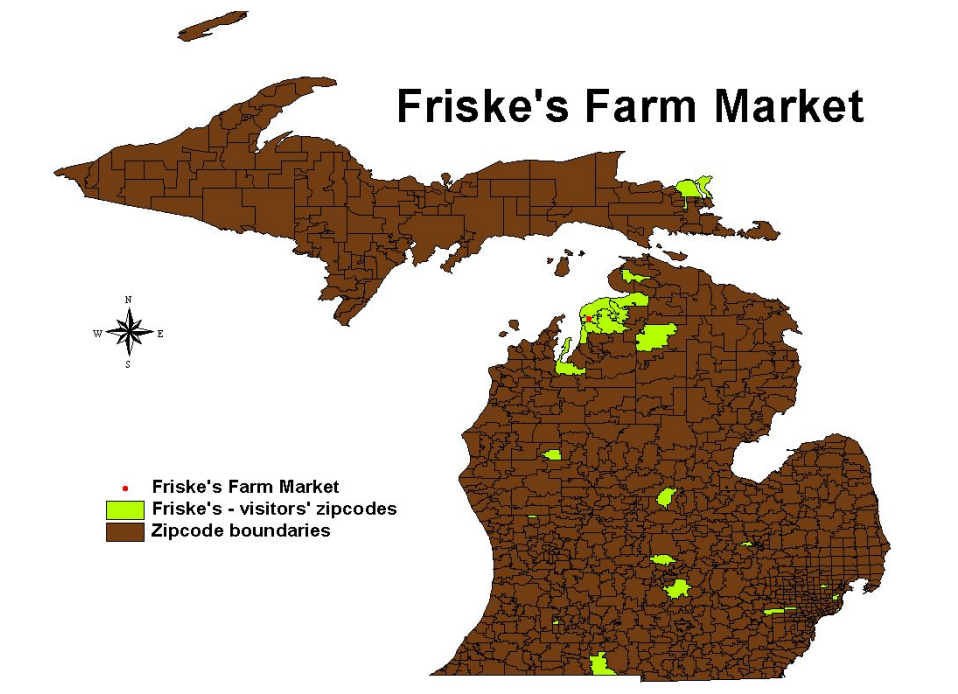


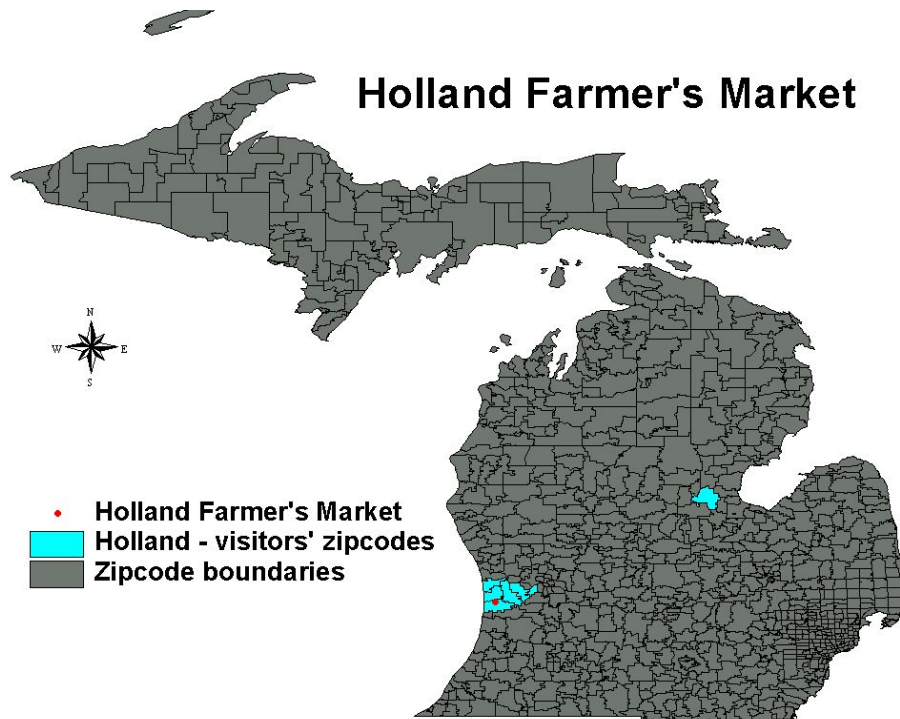
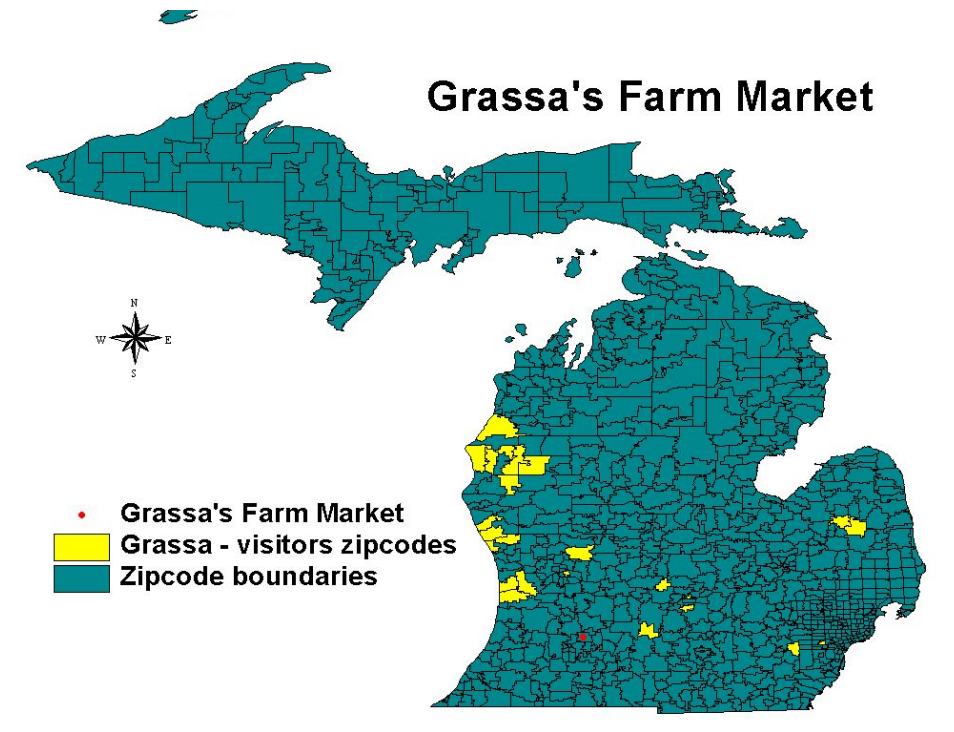


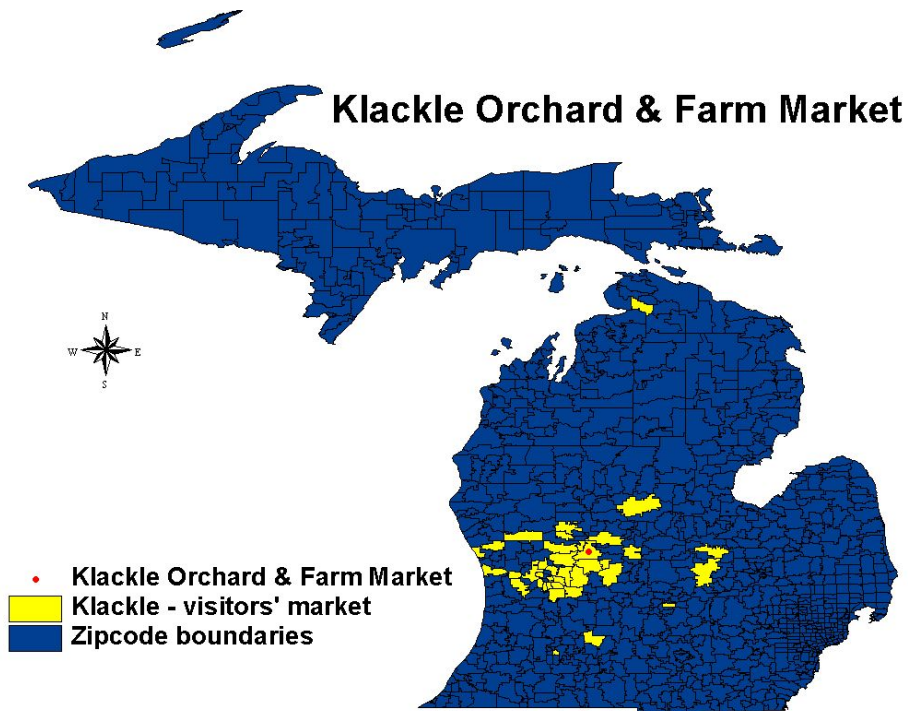
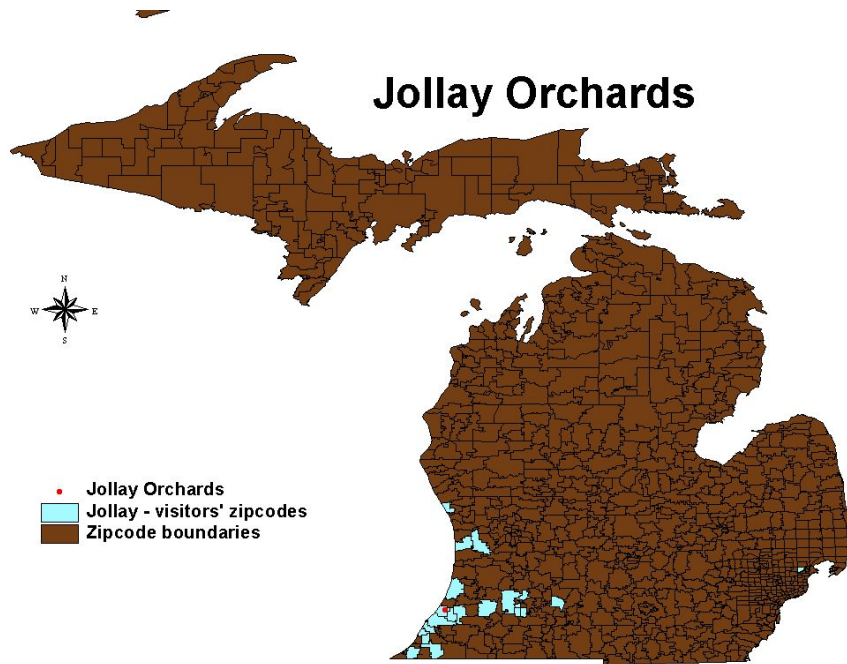


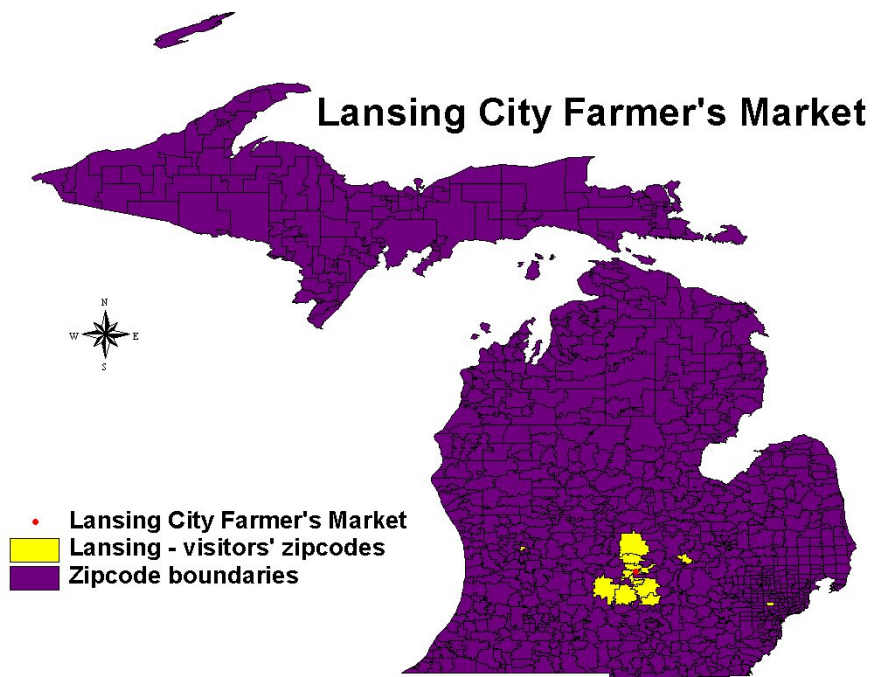
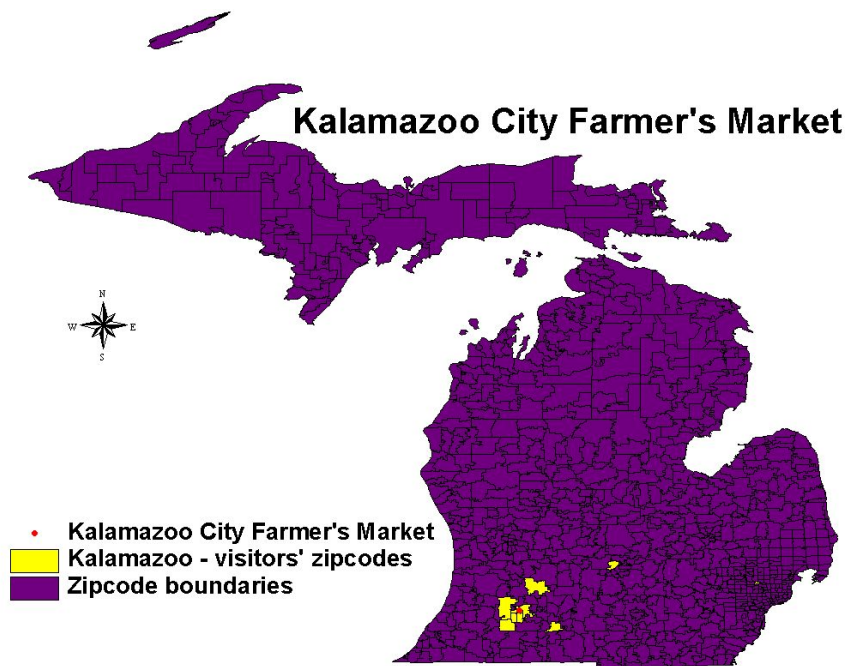


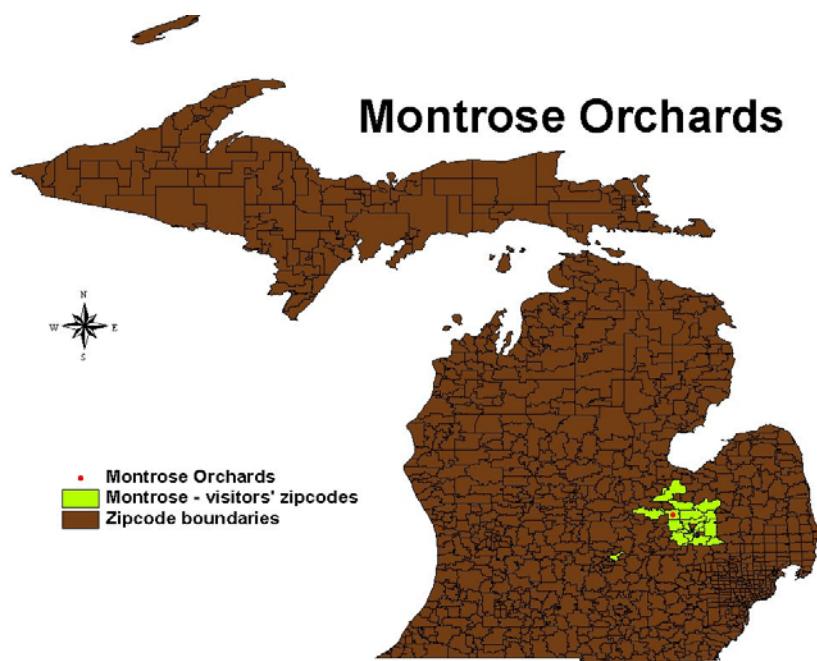
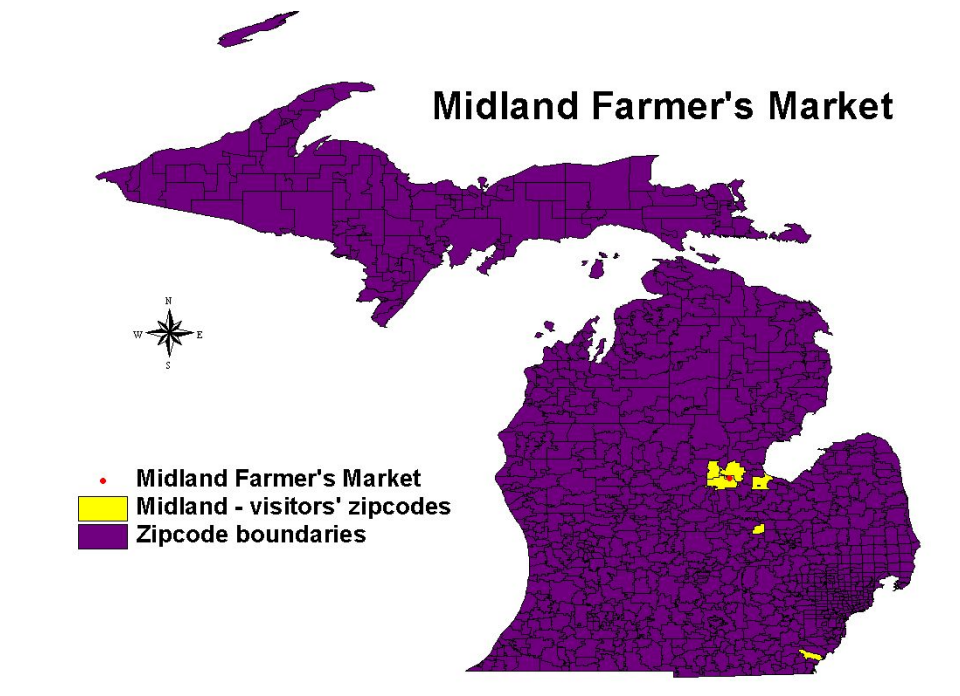


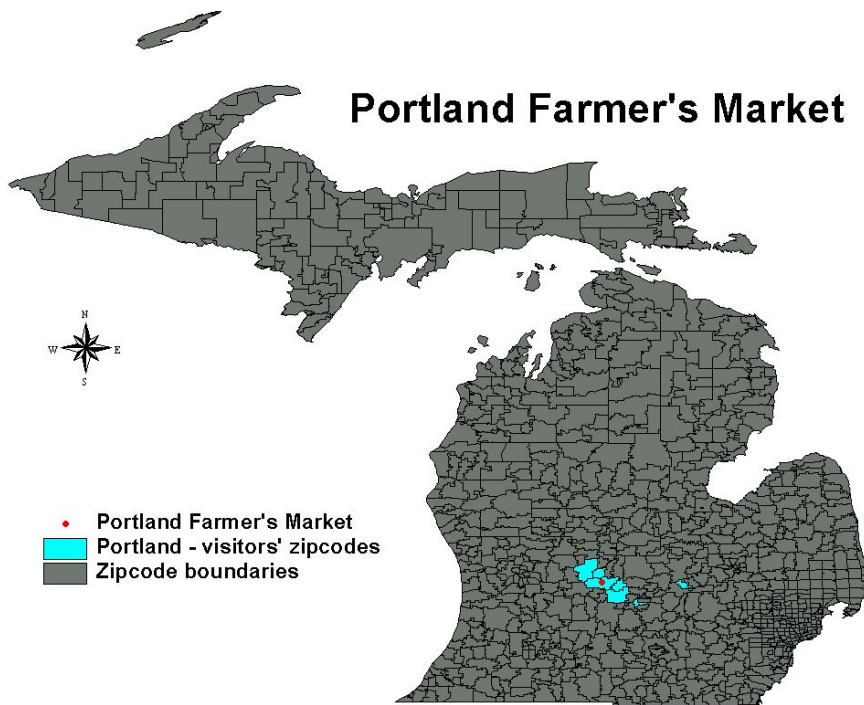
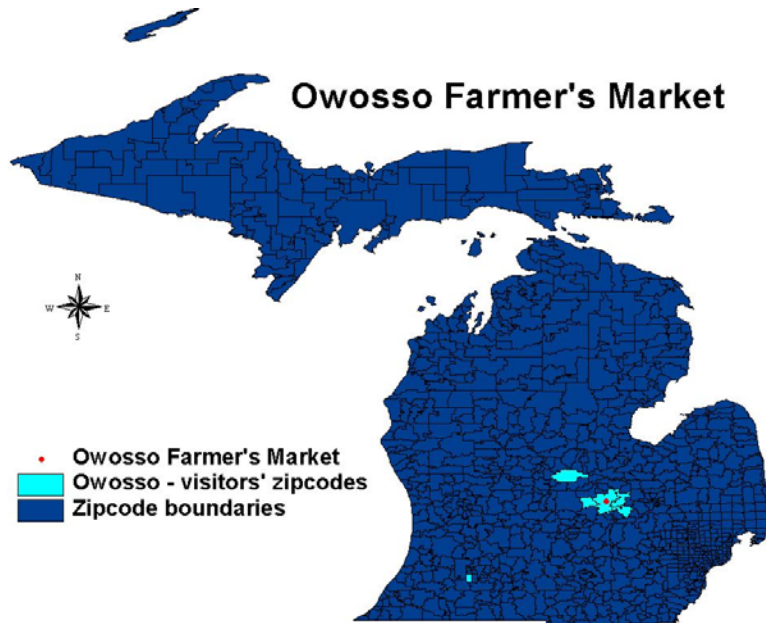


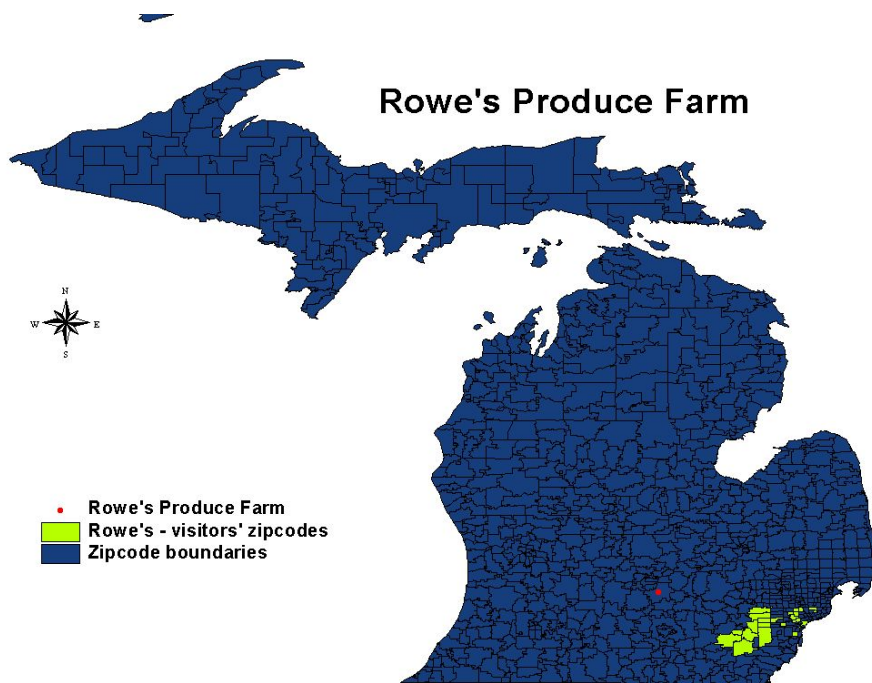
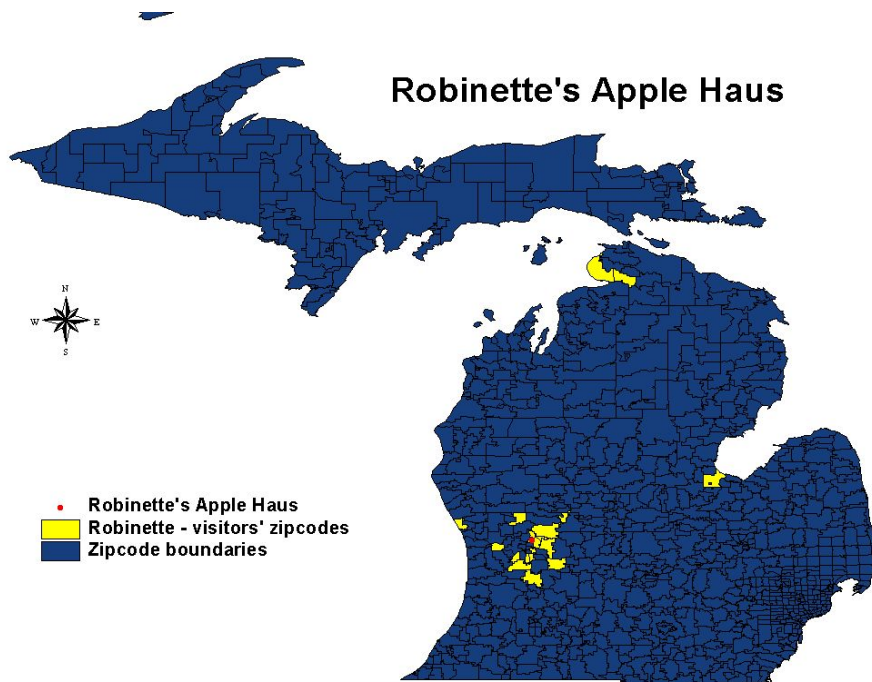


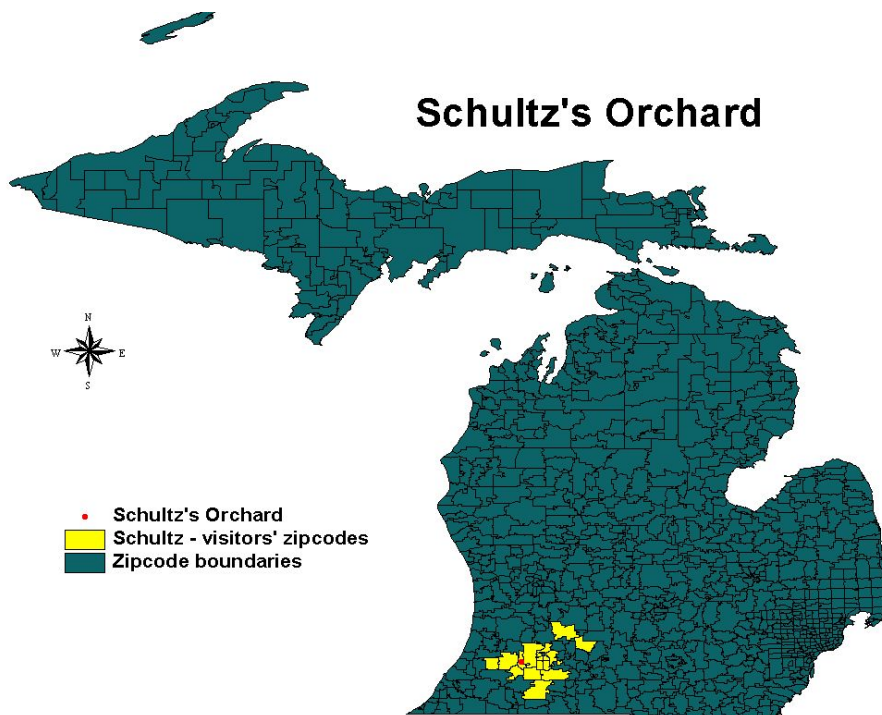
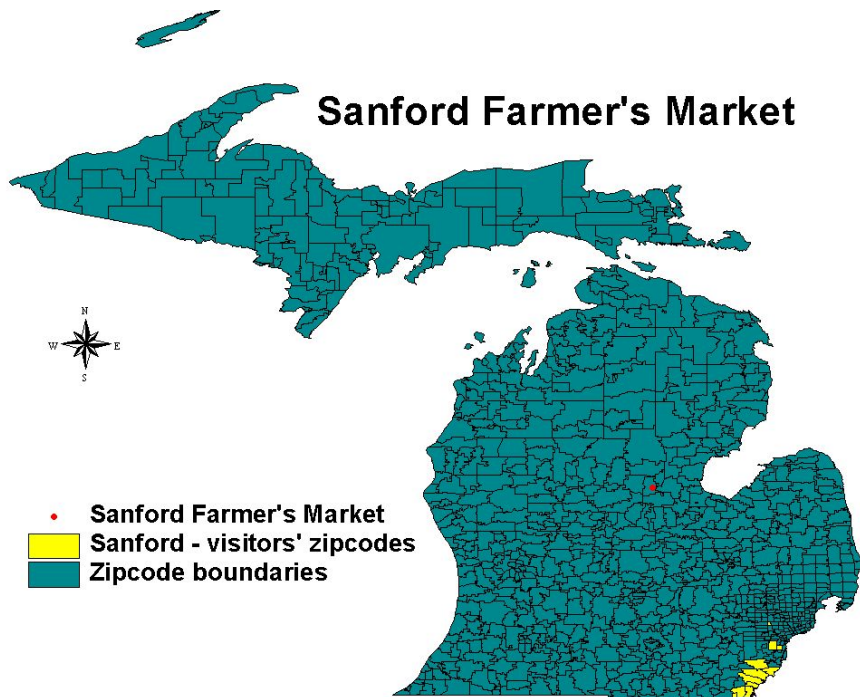


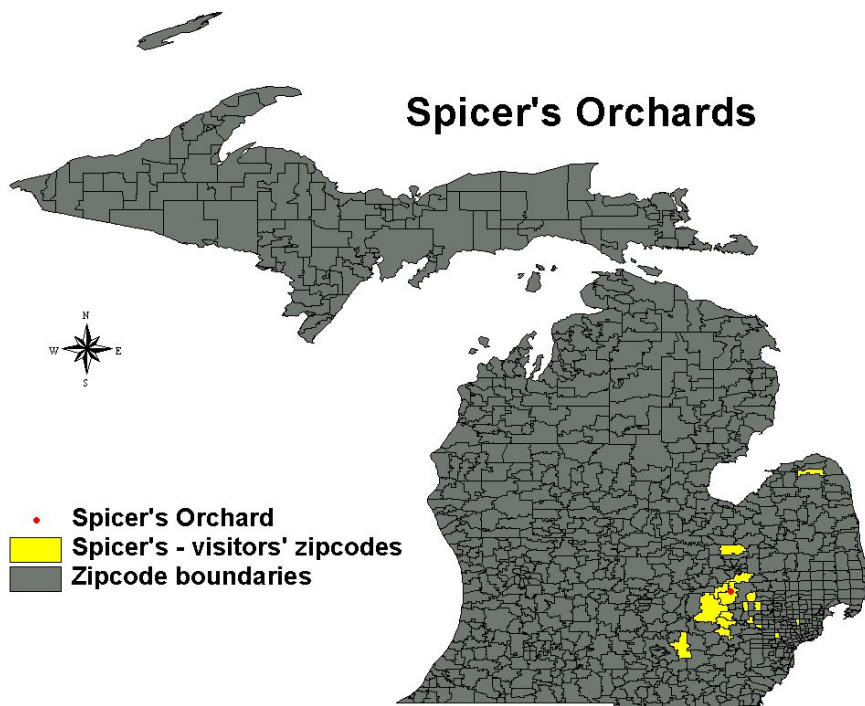
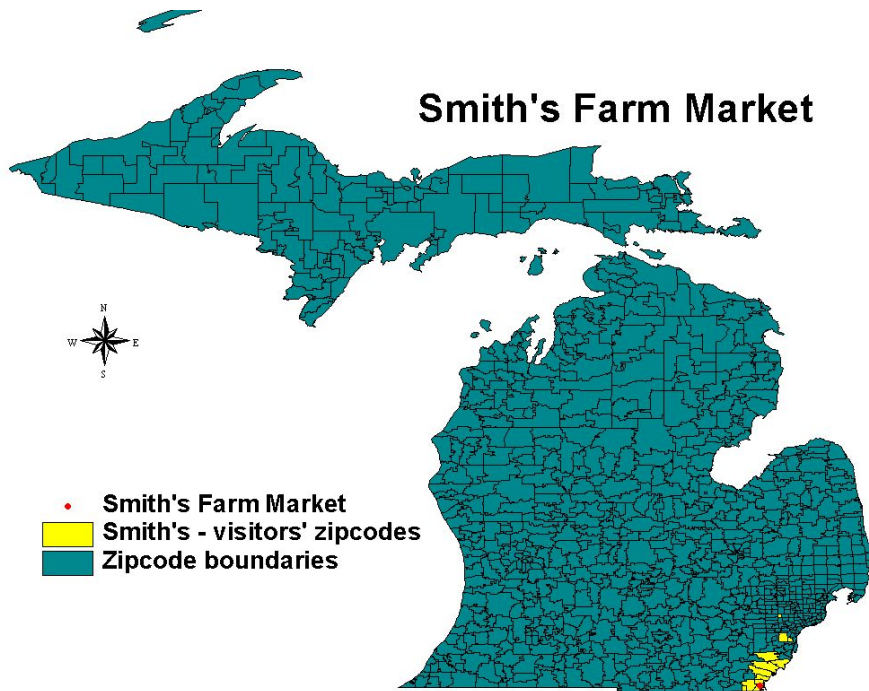


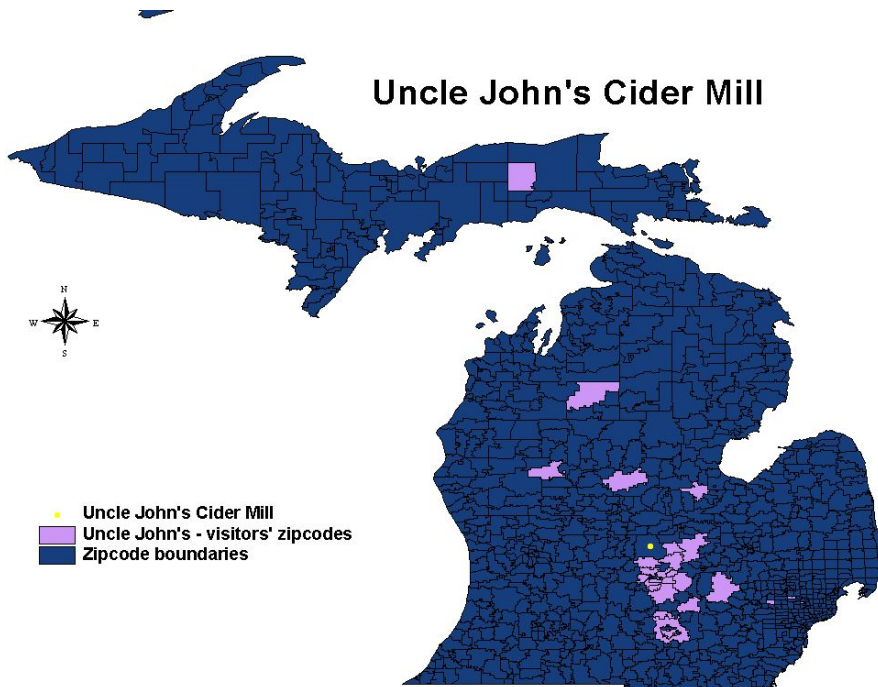


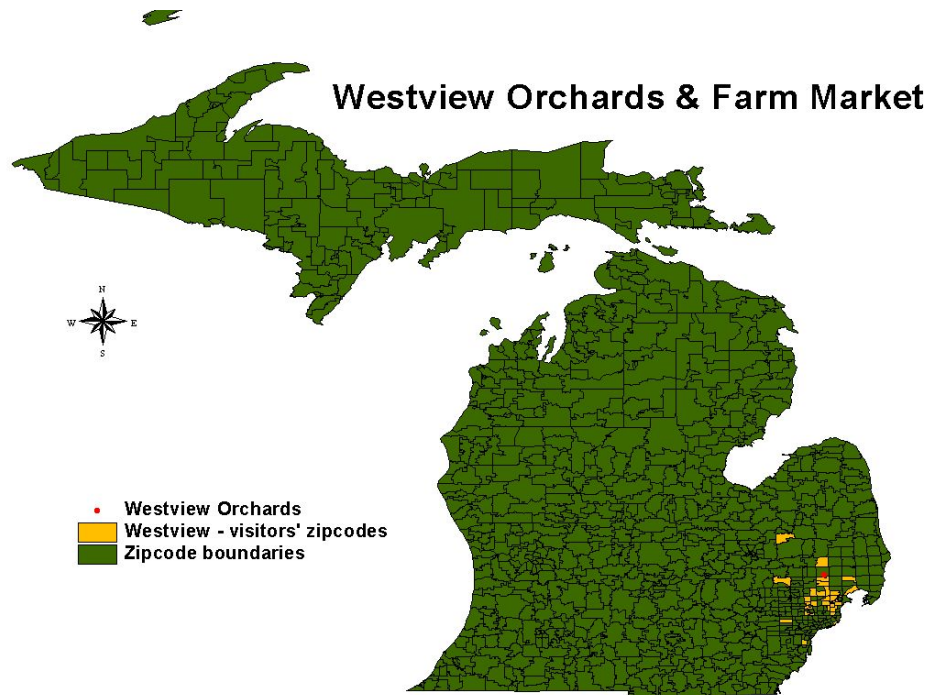












**APPENDIX 2: DESCRIPTIVE STATISTICS FOR SELECTED VARIABLES IN
THE WMU/MDA AGRITOURISM CONSUMER SURVEY**

Visited here before?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid no	218	14.1	14.1	14.1
yes	1332	85.9	85.9	100.0
Total	1550	100.0	100.0	

Visited here earlier this year?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid no	733	47.3	47.3	47.3
yes	817	52.7	52.7	100.0
Total	1550	100.0	100.0	

Visited here in 2002?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid no	893	57.6	57.6	57.6
yes	657	42.4	42.4	100.0
Total	1550	100.0	100.0	

Visited here in 2001?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid no	1178	76.0	76.1	76.1
yes	370	23.9	23.9	100.0
Total	1548	99.9	100.0	
Missing System	2	.1		
Total	1550	100.0		

Plan to return next year?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid no	5	.3	.3	.3
yes	1502	96.9	96.9	97.2
don't know	43	2.8	2.8	100.0
Total	1550	100.0	100.0	

Distance traveled?

	N	Minimum	Maximum	Mean	Std. Deviation
How many mile did you travel to get here?	1530	.00	1200.00	22.0368	54.66890
How many miles to next place?	339	.25	326.00	27.6409	43.68020
Valid N (listwise)	337				

Family income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Refused/don't know	327	21.1	21.1	21.1
	under \$15,000	49	3.2	3.2	24.3
	\$15,000 to 29,999	139	9.0	9.0	33.3
	\$30,000 to 44,999	223	14.4	14.4	47.7
	\$45,000 to 59,999	216	13.9	14.0	61.7
	\$60,000 to 74,999	193	12.5	12.5	74.1
	\$75,000 to 100,000	200	12.9	12.9	87.1
	Over \$100,000	200	12.9	12.9	100.0
	Total	1547	99.8	100.0	
Missing	System	3	.2		
Total		1550	100.0		

Where will you go next?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	home	1028	66.3	67.0	67.0
	other	506	32.6	33.0	100.0
	Total	1534	99.0	100.0	
Missing	System	16	1.0		
Total		1550	100.0		

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